

**FINANCIAL EXPANSIONS, HEGEMONIC
TRANSITIONS AND NATIONALISM: A *LONGUE*
DURÉE ANALYSIS OF STATE-SEEKING
NATIONALIST MOVEMENTS**

by

Şahan Savaş KARATAŞLI

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ABSTRACT

This dissertation provides a constructive criticism of theories that predict a decline in state-seeking nationalist movements in the 21st century, including the many theories that claim that the trajectory of nationalist movements is shaped like an inverted U-curve. Through a historical comparative analysis of state-seeking nationalist movements from 1000 AD to 2012, we show that these movements have been characterized by a cyclical pattern in the *longue durée*. More specifically, the incidence of state-seeking nationalist movements on a world-scale has tended to rise during periods of financial expansion and world-hegemonic crisis and has tended to decline during periods of material expansion and world-hegemonic consolidation. Thus, we expect to see a major resurgence of nationalist movements in the near future, the shape of which is contingent on how the current crisis of US hegemony unfolds.

In addition to documenting this cyclical pattern in the prevalence of state-seeking nationalist movements, the study documents the evolution in the forms taken by these movements over time. Class composition and the predominant forms taken by the "nation" have changed from one world hegemony (systemic cycle of accumulation) to the next. The cyclical and evolutionary patterns can in turn be traced to the ways in which state-building strategies fluctuate over time and space between the use of "force" and the use of "consent", on the one hand, and the ways in which state-building strategies themselves have evolved (e.g., from the imposition of religious uniformity to the imposition of linguistic homogenization), on the other hand.

The world-historical analysis presented in this study helps us to answer a number of unresolved questions and puzzles in the existing literature on nationalism. Our analysis helps resolve the terminological debate and confusion over what is a "nation" and offers a new explanation for the uneven geographical and temporal patterning of "aggressive" versus "tolerant" forms of nationalism.

Finally, the study introduces a major new database (constructed by the author) on nationalist movements - the State-Seeking Nationalist Movements Database - which includes articles reporting on state-seeking nationalist activities throughout the world from 1790 to 2012 using *The Guardian* and other digital newspaper archives.

Advisors and Graduate Board Committee Members

Primary Advisor: Giovanni Arrighi (1947-2009), Professor, Sociology Department, Johns Hopkins University

Primary Advisor: Beverly J. Silver, Professor, Sociology Department, Johns Hopkins University

Second Advisor: Joel Andreas, Associate Professor, Sociology Department, Johns Hopkins University

Committee Member: Michael Hechter, Professor, School of Politics and Global Studies, Arizona State University

Committee Member: Siba Grovogui, Professor, Political Science Department, Johns Hopkins University

Committee Member: Lingxin Hao, Professor, Sociology Department, Johns Hopkins University

PREFACE AND ACKNOWLEDGMENTS

In 2007, I wrote an outline for my dissertation research proposal and handed it to my dissertation advisors Giovanni Arrighi and Beverly Silver. The working paper, titled "Geometry of Anti-Imperialism", was using the framework of Arrighi's "Geometry of Imperialism" and discussing various forms of anti-imperialist movements that emerged as a reaction to different types of imperialist expansions summarized in the book. Similar to "Geometry of Imperialism" which attempted to dissipate some of the theoretical/terminological confusion created by multiple uses of the term "imperialism", I attempted to discuss the relationship between different and even antagonistic types of "anti-imperialist" movements in history. Although Giovanni Arrighi and Beverly Silver liked the idea, they also thought that "anti-imperialism" was too broad to be handled in a dissertation and they wanted me to focus on a particular type of anti-imperialist movement. Although I decided to focus on anti-imperialist national-liberation movements in 2008, it almost completely changed the direction of my dissertation research. The idea of diverse forms of anti-imperialism gradually disappeared and I found myself studying diverse forms of "nationalism" in world history.

When I finalized the proposal in December 2008, it attempted to provide a criticism of the "inverse-U" theses of nationalism. I proposed to examine the historical trajectory of nationalist movements from 1785 to today. Although total number of so-called "nation-states" was increasing in the world, total number of "national problems" was not necessarily decreasing. Hence, the focus of my initial proposal was to provide with a theory and a database on nationalist movements to discuss why nationalist problems were not necessarily "resolved" every time a new state was established and to

explicate how national problems were turning into "unfinished businesses". Although the notion of hegemonic transitions had been a part of my explanation, I had not yet attempted to take a longer historical perspective on my dissertation or to reconstruct systemic cycles of accumulation for an analysis of nationalist movements until we lost Giovanni in 2009. After his loss, the questions he left for my research provoked me to change the direction of this study once again.

Giovanni has always been a major source of inspiration to me and to many of my fellow colleagues at Hopkins. I find myself extremely fortunate to find an opportunity to learn from him as a student, to work with him as an advisee and to know him in person. My unexpected journey from "Geometry of Anti-Imperialism" to the "Long Twentieth Century of Nationalist Movements" may suffice to illustrate the value I find in Giovanni's research and his contributions to studies of historical capitalism. In the formation of this dissertation, however, Giovanni Arrighi played two other roles that I need to acknowledge. Together with Beverly Silver, they turned the Ph.D program at Sociology Department at Hopkins into probably the only place where this dissertation could be written. The Program of Global Social Change and International Development (PGSCID) in particular, and Sociology Department in general, has a distinct selection of faculty and Ph.D students who helped me in many different ways to write, revise and complete this dissertation. In the formation of this collaborative spirit and intellectual environment, I believe, Giovanni Arrighi played a critical role. Furthermore, it was Giovanni's guidance which provided me with the necessary intellectual and moral courage to handle this ambitious project and prevented me from going astray by constantly reminding that I "must not wear my mountain boots while preparing for a tennis match". If I were able to

play this tennis match and/or if I will find the courage to climb steeper mountains one day, this will be thanks to Giovanni Arrighi.

Although I will always be indebted to Giovanni Arrighi for his guidance, this must not underestimate the role Beverly Silver played in the course of my intellectual development and in the writing of this dissertation. It was Beverly's encouragement and intellectual support which helped me to bring the dissertation to its existing form. Without her guidance and experience, I could not have handled the complexities of macro-historical comparisons across long centuries, dealt with existing theoretical and historical anomalies, compiled the SSNM database or overcome the difficulties of the data collection procedure, or completed this project in a meaningful way. My research assistantships to Beverly Silver and her lectures helped me to appreciate the complexities of theoretically-substantive empirically-rich macro historical analysis. When I decided that it was necessary to pursue a longer-historical perspective to answer the existing puzzles regarding nationalism, Beverly Silver did not hesitate to support me. I could not have attempted to embed Arrighi's systemic cycles of accumulation and his theory into my explanation properly without her support and guidance. It was Beverly Silver who helped me "walk in Giovanni's shoes" and train me for the "tennis match". This dissertation could not have taken its current shape without her criticisms, suggestions and recommendations. It could not have been finalized without her patience and support.

If the theory and historical evidence presented in this dissertation convinces a broader audience, this will be thanks to my second reader and advisor, Joel Andreas. Joel has been among my harshest critics and greatest supporters. Since the beginning of this dissertation project, Joel read every piece I handed to him very carefully, wrote

extremely detailed comments and provided me with useful feedbacks. He did not hesitate to highlight every point he was skeptical about or disagreed with. Neither did he hesitate to underline every argument that he found "impressive, remarkable and masterful". It was his ongoing suggestions which helped me reshape, reevaluate and restructure my arguments. It was his skepticism and provocation which pushed me to seek further historical evidence or to find new ways to frame my arguments. It was his support and encouragement which gave me confidence about the project I pursued.

Brian van Arkadie, Michael Hechter, Lingxin Hao and Siba Grovogui also played extremely critical roles in this dissertation. Brian van Arkadie bombarded me with historical evidence for and against my arguments, provided me with interesting historical anecdotes, helped me assess the reliability and validity of my dataset and of my sources - especially for Africa and South East Asia -, and provided me with the moral support I needed. I learnt a lot from his experience and from our regular 8 am conversations. I cannot adequately express my gratitude and appreciation for Brian. Michael Hechter, Lingxin Hao and Siba Grovogui were members of my dissertation committee whose suggestions and recommendations helped me to turn the dissertation in its current shape. Hechter's studies regarding nationalism (e.g. Internal Colonialism, Containing Nationalism and Alien Rule) constituted another major pillar of this dissertation. As an *autodidact* of studies of nationalism, I have learnt a lot from Michael Hechter's research and from our conversations. He also provided me with a useful list of suggestions without which this dissertation could not be finalized. Lingxin Hao's suggestions about my dissertation helped me reconstruct my theoretical superstructure as well as formulate the relationship between the interaction of three levels of analysis implicit in this research in

a more explicit way. I learnt a great deal from my research assistantship with Lingxin Hao and I always admired her as a scholar and as a teacher. I am also indebted to Siba Grovogui, whose comments helped me finalize some of the major arguments of this dissertation and whose moral support helped me when it was needed.

I presented different themes of my dissertation research in international conferences including the American Sociological Association Annual Meeting in New York in 2013, the Eastern Sociological Society Annual Meeting in Boston in 2013, ASEN Annual Meeting at London School of Economics in 2013, International Conference on New Directions of Humanities in Montreal in 2013. I am indebted to many scholars including Mel Kohn, John Hutchinson, Edward Tiryakian, Christopher Chase-Dunn, Gene Anderson, Stephan Sanderson, Hazem Kandil, Richard Lachmann, Magda von der Heydt-Coca, Mateo Ballester Rodriguez, Alan Knight, Arun Kumar Patnaik, Georgi Derluguian and many others who provided me with important feedbacks, arguments and evidence at different stages of this project.

At Johns Hopkins University, I had an opportunity to discuss different themes of my dissertation with my colleagues and friends. I would like to thank to Baris Cetin Eren, Cagla Diner, Laila Bushra, Amy Holmes, Jake Lowinger, Lu Zhang, Ilhan Can Ozen, Kevan Harris, Dan Pascuiti, Astra Bonini, Ben Scully, Liz Kading, Michael Reese, Gulru Cakmak, Erdem Yoruk, Burak Gurel, Smriti Upadhyay, Shaohua Zhang, Lingli Huang, Yige Dong, Gizem Kosar, Emek Karaca, Sezer Yasar, Genco Guralp, Cemalettin Hasimi, Bican Polat, Serra Hakyemez, Terri Thomas, Linda Burkhardt and Jessie Albee for their intellectual and moral support. Baris Cetin Eren had a decisive role in my choice to study ongoing "national problems" as a research question. While I was formulating my initial

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This dissertation could not have been possible without the support of my family, first and foremost my mother, Fahriye Orucoglu. It was her support, patience and trust which helped me pursue a Ph.D and to write this dissertation. Without her support and determination, I could not have started or completed this research. There is no way I can summarize my gratitude. All members of my family - Perihan Orucoglu, Ahmet Kumral, Makbule Kumral, Tulay Destanoglu, Gulay Ersoy, Songul Orucoglu, Alper Destanoglu, Taner Destanoglu, Utku Ersoy, Selen Destanoglu, Ebru Destanoglu, Necdet Ersoy, and Huseyin Destanoglu - provided me with necessary moral support and encouragement. I would like to thank them all.

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strategize every aspect of this dissertation from its theoretical foundations to its writing. If this study has any analytical coherence and historical-theoretical substance, I owe it to Sefika.

This dissertation is dedicated to the memory of Giovanni Arrighi.

TABLE OF CONTENTS

ABSTRACT	ii
PREFACE AND ACKNOWLEDGMENTS	iv
TABLE OF CONTENTS	xi
LIST OF TABLES	xvi
LIST OF FIGURES	xvi
INTRODUCTION	1
Outline of the Study	4
Data and Research Strategy	8
I. THE INVERSE-U THAT NEVER WAS: THE LONG ANTICIPATED DECLINE OF NATIONALISM IN THE POST-1945 ERA	13
After the Second World War: Carr, Kohn and Deutsch	14
Capitalism, Imperialism and Decolonization	21
Perspectives on Nationalism in Marxist Traditions	25
Decline of Nationalism Thesis in Gellner and Hobsbawm	32
Ernest Gellner	33
Eric Hobsbawm	35
The End of Nationalism with the End of (Capitalist) History	37
Main Argument of Our Study and Four Challenges to Face	41
Success of Nationalism Thesis	43
Capitalism, States and Nationalism	47
Transformation Problem	50
Role of Ideas and Ideologies	53
II. CONCEPTS, THEORY AND METHOD	57
Towards a Dialectical Conceptualization of Nationalism	57
State-Seeking Nationalism	59
State-Led Nationalism	62
Relationships Between The Two Types of Nationalism	66
Patriotism vs. Nationalism	69
Macro-Structural Factors that Affect Nationalist Movements	71
Systemic Cycles of Accumulation and Hegemonic Transitions	74

From Systemic Cycles of Accumulation to Cyclical Waves of Nationalism _____	79
Main Hypotheses _____	89
Methodological Premises _____	93
Scope of Our Analysis _____	94
Fuzzy Units of Analysis _____	97
Strategy of Comparison _____	98
III. BIRTH OF HAUTE FINANCE AND DEATH OF PATRIOTISM IN NORTH ITALIAN CITY-STATES _____	105
Patriotism in Northern Italian Communes During Material Expansion Period, 1000- 1300 _____	110
Organization of Production and Trade _____	115
Organization of Protection and Violence _____	119
Organization of the Inter-City Sub-System _____	120
Financialization, Crisis and Rise of City-State Independence Movements, 1300-1450 _____	123
Dissolution of the Militia System and Commercialization of Violence _____	126
Fiscal Pressures, "Forces Loans" and Public Financing _____	129
Escalation of the Class Struggle and Territorial-Colonial Expansion as a Solution	132
Independence Movements of the City-States, Free Communes and Towns _____	138
From Chaos to Order: Birth of a New Form of Patriotism _____	141
Organization of the Modern State as a Commercial Enterprise _____	143
Organization of Protection and Violence _____	144
Organization of Consent-Production: A New Patriotism? _____	146
IV. "RELIGION IS A SIXTEENTH CENTURY WORD FOR NATIONALISM": NATIONALISM DURING THE GENOESE-IBERIAN SYSTEMIC CYCLE _____	151
The "Making of the Spanish Nation" During the Genoese Material Expansion Period _____	157
Centralization Inside the Kingdom of Castile _____	158
Political Compacts Outside the Kingdom of Castile _____	163
Religion as a Collective Identity of Subjects within the Spanish State _____	164
State-Seeking Movements During Financial Expansion Period: From Crisis To Chaos _____	171

Forces of the Vicious Cycle: Price Revolution, Inter-State Conflict, Reformation and Financialization _____	173
State-Seeking Movements During "the Age of Fuggers": The <i>Comuneros and Germanias</i> _____	185
State-Seeking Movements During "the Age of Genoese": The Revolt of the Seventeen Provinces _____	193
State-Seeking Movements During the Chaos of the 1640s _____	199
V. BETWEEN ABSOLUTISM AND DEMOCRACY: NATIONALISM DURING THE DUTCH SYSTEMIC CYCLE _____	203
Transformation of "Nations" and Containing State-Seeking Revolutions During the Dutch Material Expansion Period _____	208
Emergence of "Peace" Interest and Erosion of Opportunity Structures for State-Seeking Movements _____	215
Use of "Force" and "Consent" by Absolutist States in Europe _____	220
Establishment of Social and Political Compacts in American Colonies _____	225
State-Seeking Movements During Dutch Financial Expansion Period and Hegemonic Crisis _____	228
Revolts in Britain and North American Colonies _____	234
Revolts in Latin American Colonies _____	236
The French Revolution and Its Effects on State-Seeking Movements _____	241
Transformation of Nationalism During the Dutch Systemic Cycle _____	248
Emergence of a New State-Building Strategy in Revolutionary France _____	252
VI. GLOBALIZATION AND SOCIALIZATION OF NATIONAL INDEPENDENCE: NATIONALIST MOVEMENTS OF THE BRITISH SYSTEMIC CYCLE _____	256
State-Seeking Movements During the British Material Expansion - Hegemonic Consolidation Period, 1815-1870 _____	262
British Hegemony and the Decolonization Americas: From Chaos to Order _____	268
"Political Compacts" of the Ottoman Empire _____	273
Nationalism and Social Revolutions in Europe: 1830 and 1848 Revolutions _____	279
Unificationist Movements, Hegemonic Crisis and Financial Expansion of the Long Nineteenth Century _____	285
Three Successful Unificationist Movements of the 19th Century _____	286
Nationalism, Imperialism and The Crisis of the British Hegemony _____	290

State-Seeking Movements During Financial Expansion Period, 1870-1910 _____	293
State-Seeking Movements in Balkans and the Dissolution of the Ottoman Empire _____	296
State-Seeking Movements in the British Settler Colonies _____	299
State-Seeking Movements against "New Imperialism" _____	300
Transformation of Nationalism During The Long Nineteenth Century _____	304
British Hegemony, Constitutional Monarchies and "Alien Rule" _____	304
The Changing Class Composition of "Nation" in the 19th Century _____	307
From Languages of States to Languages of People _____	310
VII. NATIONS AND NATIONALISM DURING THE US HEGEMONY _____	312
The Overall Trajectory of Nationalist Movements in the Long Twentieth Century _____	316
Transition to US Hegemony: The Climax of Nationalist Movements, 1914-1945 _____	319
Soviet Republics as A New National Form _____	321
Wilsonian Principle of Self-Determination and the Rise of the Republican Form _____	323
State-Seeking Movements During US Hegemony, 1945-1973/80 _____	327
Nationalism in the Colonial and Post-Colonial World _____	331
Nationalism in Western Countries _____	338
VIII. STATE-SEEKING MOVEMENTS DURING THE CRISIS OF US HEGEMONY _____	343
Speeding Up of Nationalist Unrest? _____	345
Crisis of US Hegemony, Financialization and Nationalism _____	349
Nations and Nationalism After the "End of History" _____	355
Increase in State-Seeking Movements since 1990s _____	358
Macro Dynamics of State-Seeking Movements in the 21th Century _____	365
Direct Effects of the Collapse of the USSR _____	366
Financial Crisis, Exit Strategies and State-Seeking Movements _____	368
Destabilization of Existing State Structures _____	375
State-Seeking Movements in the Post-Colonial Periphery _____	385
Conclusion _____	391
IX. SUMMARY OF FINDINGS AND DISCUSSION _____	392
Evolution of Nations and Nationalism in the Longue Durée _____	394
Relationship between State-Building Strategies and State-Seeking Reactions _____	395

Semantic Change of the Word "Nation" _____	398
Changing Class Composition of Nations _____	402
Nationalism and the Pendulum of Tolerance _____	407
Is The Rise of Nationalist Movements Inevitable? _____	411
Financialization and State-Seeking Movements in Previous Systemic Cycles _____	411
Anomalies of US Systemic Cycle in a Comparative Perspective _____	417
China and State-Seeking Movements of the 21st Century _____	423
Conclusion _____	430
APPENDIX A: THE ROLE OF THE GENOESE IN THE STATE-BUILDING ACTIVITIES IN THE IBERIAN PENINSULA _____	433
APPENDIX B: STATE-SEEKING NATIONALIST MOVEMENTS (SSNM) DATABASE _____	441
Definition of State-Seeking Nationalist Movements _____	441
Utilizing Newspaper Archives for Collecting Macro-Historical Data _____	442
Data Collection Procedures _____	447
Generating "Search Strings" _____	447
Eliminating False Positives and Coding _____	448
Assessing the Reliability of the SSNM Database _____	449
Regional Classifications _____	455
BIBLIOGRAPHY _____	461
CURRICULUM VITAE _____	484

LIST OF TABLES

Table I-1: A Common Example of an Historical Taxonomy of Nationalism _____	17
Table I-2: Hayes' Six Types of Nationalism _____	54
Table II-1: Structural Factors and Nationalisms During Periods of Hegemony and Transitions _____	89
Table II-2: Phases of Historical Capitalism _____	93
Table III-1: Average GDP per Capita in 1000 and 1500, Western Europe _____	107
Table III-2: Number of Florentine Civic Cavalry Forces Participated in Great Battles, 1260-1325 _____	127
Table III-3: Relative Wealth of Chief Northern Italian Cities in 1311 _____	131
Table IV-1: Increase in Military Manpower, 1470s-1710 _____	177
Table VI-1: Rate of British Colonial Annexations by Historical Phase _____	293
Table VIII-1: Rate of U.S. Annexations and Military Interventions by Historical Phase _____	377

LIST OF FIGURES

Figure I-1: The Illustration of the Inverse-U and the Cyclical Rhythm Hypotheses _____	42
Figure II-1: Hechter's State-Building vs. Peripheral Nationalism Types _____	59
Figure II-2: Illustration of Patriotism vs Nationalism _____	70
Figure II-3: Illustration of Arrighi's Model _____	76
Figure II-4: Systemic Cycles of Accumulation, Hegemonic Transitions and State-Seeking Movements _____	91
Figure III-1: Foundations of Towns in Central Europe and Growth of Town Walls in North Italy _____	109
Figure III-2: Annual Expenditure by the Siena Commune, 1226-1328 _____	130
Figure III-3: Total Number of Years With Tax Revolts in a Decade, in Italy, in 1000-2000 _____	133
Figure III-4: Territorial Expansion of Venice _____	137
Figure III-5: Territorial Expansion of Florence _____	137
Figure III-6: Inter-Elite Struggles in Florence, 900-1500 _____	142
Figure IV-1: Maritime Trade of Genoa and Systemic Cycles of Accumulation, 1271-1530 (1334=100 unit) _____	153
Figure IV-2: State-Seeking Movements in the Territories of Spain and Habsburg Empire, 1470-1750 _____	155
Figure IV-3: Conceptual Pyramid of Forces of Vicious Cycle in Europe, 1517-1640 _____	172
Figure IV-4: Lands Charles V Inherited in Europe, 1519 _____	176

Figure IV-5: Percentage of Debts of the Spanish-Habsburg Empire During Charles V. according to Financiers _____	179
Figure IV-6: Total Number of Years With Tax Revolts in a Decade, in Spain (including Habsburg Empire), 1000-2000 _____	180
Figure IV-7: Persecution of Heresy in the Province of Flanders, 1521-1566 _____	196
Figure V-1: GDP per Capita of Selected Powers of Europe, 1400-1820 _____	205
Figure V-2: State-Seeking Movements in Europe and American Colonies, 1470-1815 _____	206
Figure V-3: State-Seeking Movements in the Spanish-Habsburg Empire Differentiated by Class Composition, 1520-1650 _____	210
Figure V-4: Number of Years in a Century with Parliamentary Meetings, The Netherlands and England _____	214
Figure V-5: Total Revolutionary Situations in Europe, 1492-1992 _____	219
Figure V-6: Number of Years in a Century with Parliamentary Meetings, The Spanish Crown _____	222
Figure V-7: Number of Years in a Century with Parliamentary Meetings, Selected European Powers _____	222
Figure V-8: A Section of Frontispiece of <i>Leviathan (1651)</i> Representing Nation in the Body of the Sovereign _____	223
Figure V-9: Total Number of Year-Regions with Tax Revolts in Europe in a decade, 1300-2000 _____	232
Figure V-10: Total Number of Year-Regions with Tax Revolts in (North, Central and South) American Colonies in a decade, 1300-2000 _____	232
Figure V-11: Intensification of Slave Revolts in the Americas, 1690-1790 _____	237
Figure V-12: Map of Dependent Republics of French Empire in the Italian Peninsula _____	246
Figure V-13: Number of Religious Revolts and Struggles in Europe, 1492-1992 _____	248
Figure V-14: Number of Anti-Centralization Struggles in Europe, 1492-1992 _____	250
Figure VI-1: GDP per Capita of Selected World Powers, 1700-1910 (1990 International Geary-Khamis dollars) _____	258
Figure VI-2: State-Seeking Movements, World, 1810-1910 _____	261
Figure VI-3: Main Locations of State-Seeking Activities in the World, 1810-1910 _____	262
Figure VI-4: Regional Distribution of State-Seeking Nationalist Movements, 1810-1871 _____	263
Figure VI-5: Main Locations of State-Seeking Activities and Other Kinds of Revolt, Revolutions and Insurrections in the World, 1810-1870 _____	266
Figure VI-6: British-Led Financialization and Number of Inter-State Wars, 1813-1913 _____	292
Figure VI-7: Regional Distribution of State-Seeking Nationalist Movements, 1870-1890 _____	294
Figure VI-8: Main Locations of State-Seeking Movements of the World, 1870-1890 _____	294
Figure VI-9: Main Locations of State-Seeking Movements of the World, 1890-1910 _____	296
Figure VI-10: Fund Flows Arising From Ottoman Foreign Borrowing, 1854-1913 (in millions of British pounds sterling) _____	298
Figure VII-1: GDP per Capita of Selected World Powers, 1850-2000 (1990 International Geary-Khamis dollars) _____	313
Figure VII-2: Economic Growth Rates of Selected Countries and US Financial Expansion _____	315

Figure VII-3: State-Seeking Movements, World, 1910-2013	317
Figure VII-4: Waves of Colonization and Decolonization, 1415-1969	318
Figure VII-5: Main Locations of State-Seeking Nationalist Movements of the World, 1910-1945	320
Figure VII-6: Total Number of States in the Inter-State System, 1914-1945	324
Figure VII-7: Unrecognized Declarations of Independence Among State-Seeking National Movements in Europe and the Middle East, 1914-1945	325
Figure VII-8: Main Locations of State-Seeking Nationalist Movements of the World, 1945-1975	329
Figure VII-9: Number of Unrecognized Declarations of Independence by Contemporary Stateless Nations	335
Figure VII-10: State-Seeking Movements, Africa, Middle-East, South and Southeast Asia, 1910-2013	337
Figure VII-11: State-Seeking Movements in Europe and North America, 1910-2012	339
Figure VIII-1: Financialization and Annual Growth of the US Economy, 1970-2012	343
Figure VIII-2: Within Country Inequality in the US, Canada, Sweden, Finland and Spain, 1949-2007	345
Figure VIII-3: Decline in the Rate of Growth of Soviet GNP	354
Figure VIII-4: State-Seeking Movements in Europe, 1910-2012	359
Figure VIII-5: State-Seeking Movements in Asia, 1910-2012	360
Figure VIII-6: State-Seeking Movements in Africa and the Middle East, 1910-2012	361
Figure VIII-7: State-Seeking Movements in Central/South America and Australia, 1910-2012	361
Figure VIII-8: Main Locations of State-Seeking Movements, World, 1975-2012	362
Figure VIII-9: Map of Stateless Nations of the World, 2002	364
Figure VIII-10: Map of Contemporary Separatist Activities, 2000	365
Figure VIII-11: Relative Change in GNI Per Capita, 10th and 90th Percentiles of the World, (GNIPC in 1960=1)	388
Figure IX-1: State-Building Strategies and State-Seeking Reactions Across Systemic Cycles	396
Figure IX-2: Greenfeld's Zigzag Pattern of Semantic Change of the Word "Nation"	399
Figure IX-3: Semantic Change of the Word "Nation" Across Systemic Cycles	400
Figure IX-4: Changing Class Composition of "Nation" and "National Identity" Across the <i>Longue Durée</i>	402
Figure IX-5: Illustration of State-Seeking Movements with and without Class Dimension	405
Figure IX-6: Historical Taxonomies of Nationalism, Systemic Cycles of Accumulation and Hegemonic Transitions	408
Figure IX-7: Mechanisms and Processes that Intensified State-Seeking Movements in Northern Italian City States, 1300-1500	413
Figure IX-8: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of Genoese-Iberian SCA, 1520-1640	414
Figure IX-9: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of Dutch SCA, 1760-1810	416

Figure IX-10: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of British SCA, 1860-1930	417
Figure IX-11: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of the US SCA, 1960s - Today	418
Figure IX-12: Frequency of Armed Conflict During Struggles of National Liberation, 1945-2011	421

INTRODUCTION

This dissertation provides a constructive criticism of theories that predict a decline in state-seeking nationalist movements in the 21st century. A large number of theories and narratives, explicitly or implicitly, describe the historical trajectory of nationalist movements as an inverse-U curve. Although the exact chronology varies, the most common descriptions agree that nationalism started to take off in the late 18th century, came to a climax sometime between the late 19th and early 20th centuries, and started to decline in the mid/late 20th century. Parallel to these descriptions, since the end of the Second World War, predictions about the decline of nationalist movements have been made especially by both *modernist* theorists¹ of nationalism and by critical scholars of capitalism. From E. H. Carr to Eric Hobsbawm most critical historians and social/political scientists who analyzed the relationship between state, society and capitalist (world) order - explicitly or implicitly - stated that the times we are living in are different from the age of nationalism and there is not much reason to expect that nationalism would continue to be a prominent force in the near future.

The course of nationalist movements throughout the 20th century has not supported these expectations. On the contrary, almost every time it was declared that the power and significance of nationalist movements was on the wane, a new upsurge of nationalist movements was met with surprise. Yet these developments rarely affected the

¹ I use the term "modernist" theories as opposed to "primordialist", "perennialist" or "ethno-symbolist" theories of nationalism.

core assumptions of these theories, which managed to explain new upsurges in a *post-factum* fashion and re-formulated their original anticipation with more nuances. This partial inability of the majority of modernist theories of nationalism to put forward a proper explanation for the concurrent rise of nationalist movements also gave leverage to *primordialist* or *perennialist* theories of nationalism which believed that nations are ancient (as opposed to modern) and given (as opposed to constructed) entities of history, whose passion for independence cannot be constrained by social, economic or political forces (Connor, 1967; Connor, 1994).

While in agreement with the basic assumptions of modernist theories of nationalism, this study attempts (1) to highlight the failure of these theories in predicting the current rise of nationalist movements and (2) to provide an alternative explanation. Thus in one way, this research shares similar concerns with Tom Nairn's (1975; 1977) and Michael Hechter's (1975; 2001) studies, which also attempted to provide explanations to the nationalist revivals of the late 20th century from a modernist perspective. However the methodological and theoretical premises of this study are different. We argue that for a proper understanding of the nationalist revivals of the 20th and the 21st century we must pursue our analysis in a longer historical and wider geographical scope than has normally been utilized. Thus, in order to understand the current condition of state-seeking nationalist movements in the early 21st century, I propose to investigate the *long-run historical* patterning of nationalist movements from a *world-systemic* level.

Through a historical comparative analysis of nationalist movements at a macro-level, this study shows that state-seeking nationalist movements have virtually a cyclical

pattern in the *longue durée*. In the literature, observations regarding cyclical patterns of nationalist movements are not new (Calhoun, 1997, pp. 8, 23). In his *Nations Before Nationalism*, Armstrong (1982, p. 4) implied the existence of *cycles of ethnic consciousness* among nationalities and Hutchinson (2000, p. 651) talked about "convincing recurring causes of national revivals". The relationship between nationalism and long cyclical waves is often used as evidence for ethno-symbolist arguments which try to link modern nationalism with its pre-modern roots (Smith A. D., 1999, p. 256; Hutchinson, 2000; Armstrong, 1982) or for primordialists who define nations as sociobiological groups who will continue to resist "foreign" domination. However, as we will discuss in more detail in the following chapter of this study, our notion of cyclical waves is different. We do not talk about the cyclical waves of national consciousness/activities of a particular nationality but cyclical waves of state-seeking movements in the world as a whole.

This is not merely a descriptive study. We propose a theoretical framework to explain why these recurrent waves of state-seeking activities exist. At the core of our explanation lies the assumption that these long historical cyclical waves of state-seeking movements are manifestations of (1) the changes in the ability of states to maintain the loyalty of their populaces (through the use of "force" and "consent") and (2) the oscillation of factors that push territorially-clustered groups of people to seek solutions to their political, cultural, socio-economic problems outside the domain of their own states. Although there is a very high level of variation in how these two sets of factors might interact at national levels, these forces are also affected by various global-level macro-structural processes (i.e. the changes in the world hegemonic order, effects of systemic

cycles of accumulation, intensification of political and economic crises, escalation of inter-state wars etc). Of course, these macro-structural, long-historical processes and dynamics do *not* "create" nations, nationalist sentiments or nationalist movements. They merely provide contexts (i.e. social, political and economic environments) under which political mobilization of state-seeking movements are more or less likely. We argue that scientific investigation of these macro-structural processes and dynamics in a theoretically and historically informed manner is critical not only to understand the long-historical trajectory of state-seeking nationalist movements but also to be able to make predictions about near future. Based on our historical-comparative analysis of the interaction between these macro-structural processes and nationalist movements in the *longue durée*, we will conclude that there is sufficient evidence to believe that we are in the midst of a new and a stronger wave of state-seeking nationalist movements, success of which is contingent on various responses to the decline of current US hegemony.

Outline of the Study

In order to assess the validity of this argument, this study is organized as follows: In Chapter I we attempt to underline the importance of the problem we handle. Since the end of the Second World War, there has been a literature insisting that we have entered (or we are about to enter) a new era in which state-seeking nationalist movements - sometimes including other forms of nationalism as well - would no longer exist or be less likely to occur. This argument has been put forward by various prominent scholars who have different ideologies, different conceptions of nationalism, and different methodological approaches for conducting social scientific research. In Chapter I we examine some of the representatives of these various positions. Our attempt here is *not* to

conduct an exhaustive literature review but a very selective one. Because the theoretical/conceptual frame of this study is based on a reconstruction of Marxist, statist and world-systems theories of nationalism, we paid relatively more attention to the representatives of these theories who expected a decline in nationalism in the near future. After all, it is this literature we attempt to criticize and contribute to. At the end of Chapter I, based on our review, we summarize four main theoretical and methodological challenges that we need to encounter for an analysis of nationalist movements in the *longue durée*.

In Chapter II we introduce the main concepts, theoretical framework and methodology that will be utilized throughout our analysis. An analysis of nationalist movements in the *longue durée* requires a new conceptual/theoretical frame. In this chapter we (1) introduce our main concepts and definitions, (2) explicate the theoretical bases of the relationship between financial expansions, changes in the hegemonic order and nationalist movements and (3) show how these relationships establish the cyclical pattern of nationalism we propose to investigate. At the core of our conceptual/theoretical frame lies Giovanni Arrighi's notion of systemic cycles of accumulation and hegemonic changes (Arrighi, 1994; Arrighi & Silver, 1999). Arrighi's theory is useful for our purposes because his understanding of historical capitalism is not merely based on economic factors but also political ones. For Arrighi historical capitalism can only be understood through an examination of the dialectical relationship between "logic of capital" and "logic of territory". His *Long Twentieth Century* explains how these two logics are affected by *financialization* processes and how they transform historical

capitalism. Extending this theoretical framework, we will investigate the effects of these two logics on the historical patterning and transformation of nationalist movements.

This study assumes that a proper projection of state-seeking movements cannot be made without a focus on the transformation of nationalism across time. Hence, the transformation of nationalism over the *longue durée* emerges as a key component of this study. The long-historical time frame is very fruitful to observe this transformation. Although we share the basic principles of the modernist school of nationalism, unlike many representatives of this school, we argue that modernity is *not* as new as is often stated. Our examination starts from the emergence of northern Italian communes and city-states in the late medieval era, which are often regarded as the first manifestation of bourgeois society (Marx & Engels, [1848] 1978; Braudel, 1981; Arrighi, 1994). This is a time-period in which - according to many modernist theories - nationalism did not yet exist. However this starting point also provides us with an opportunity to observe different forms of nationalist activities emerged in different periods of time under different conditions. Thus even though we do not attempt to take part in the "origins of nationalism" debate, we will be able to observe the logic behind the different "origins" conceptualized by different theories of nationalism. We underline that some of the (non)debates regarding the "origins of nationalism" are related to the transformation of nationalism across time.

Chapter II also explains the essence of the comparative methodology we will use. An examination of a constantly transforming phenomenon prevents us from using a fixed definition for nationalism and forces us to employ a comparative strategy which is dynamic in time and space. In this section, we first discuss why existing comparative

methods are not useful for our purposes and then explain the comparative strategy and methodological premises that will be utilized in this study.

In Chapters III through VIII we will present our historical analysis. Every chapter is dedicated to the examination of the trajectory of state-seeking movements under each "systemic cycle of accumulation" Arrighi (1994) proposed in *The Long Twentieth Century*. Because Arrighi's systemic cycles of accumulation are partially overlapping, the periodization we will use in each chapter will also be partially overlapping. Likewise because the geographies that are affected by each systemic cycle change and expand over time, the regions we investigate in our analysis also change and expand accordingly. Chapter III focuses on northern Italian city states from 1000 to 1500. Chapter IV examines the Iberian peninsula and Spanish-Habsburg territories during the Genoese-Iberian systemic cycle of accumulation, which took place between 1450s and 1640s. In Chapter V we expand the scope of our analysis to European and American colonies under the Dutch systemic cycle of accumulation, which spanned from 1570s to early 1800s. Chapter VI investigates the whole world under British systemic cycle from the 1770s to the early 20th century. Finally Chapters VII and VIII focus on the world during the US systemic cycle from the late 19th century to today. Chapter VII examines the consolidation of US hegemony and Chapter VIII analyzes its crisis.

These chapters provide us with a historical narrative of development of systemic cycles of accumulation (and changes in existing hegemonic order), state-building strategies utilized by rulers in these periods and emerging state-seeking movements in the light of our conceptual-theoretical framework. In Chapter IX we will turn back to the original question we posed at the outset: What does the historical trajectory of nationalist

movements look like and what does it tell us? In this chapter, we will summarize the main findings of our comparative analysis; explain the complex set of transformations nationalism went through in the *longue durée*, and discuss the possible trajectories of nationalist movements in the 21st century in reference to these findings.

Data and Research Strategy

Because our aim is to discuss the trajectory of nationalist movements as a whole, this study requires the use of a reliable database on nationalism that reflects the temporal and spatial patterning of nationalist movements. There are datasets available that look at particular aspects of nationalist movements but none of them fulfill the needs of this study. "Intra-States War Data" of the Correlates of War study (Sarkees & Wayman, 2010) has a list of nationalist movements from 1816 to 2007 which turned into civil or regional wars. "UCDP/PRIO Armed Conflict Database" (Themner & Wallensteen, 2012), which is based on the original study by Gleditsch *et al* (2001), provides a conflict dataset from 1946 to 2011 that includes some of the state-seeking nationalist conflicts. "From Empire to Nation State" Dataset (Wimmer & Min, 2006) includes all wars fought since 1816, including 109 secessionist civil wars. Likewise "Wars by Location and Purpose" Dataset (Wimmer & Min, 2009) further distinguishes nationalist-secessionist wars and non-nationalist secessionist wars from 1816 to 2001. Yet these datasets cannot be used to analyze state-seeking nationalist movements because they exclude all movements which did not turn into regional conflicts or civil wars. Low and medium intensity nationalist conflicts, protests and demonstrations demanding independence, secessionist struggles utilizing parliamentary methods, separatist demands and claims cannot be measured from these datasets if they did not cause civil wars.

"Minorities at Risk" database (2009) uses ethnic groups as a unit of analysis and presents systematic data on various aspects on these communities. Although this database contains information about whether or not political-ethnic groups have separatist/autonomist claims, it focuses primarily on ethnic communities. Consequently, it does not provide information about state-seeking nationalist movements which are *not* ethnically based. This is also a problem for the "Ethnic Power Relations" dataset (Wimmer, Cederman, & Min, 2009) which identifies politically relevant ethnic groups and their access to state power from 1946 to 2005. Furthermore neither "Minorities at Risk" nor "Ethnic Power Relations" datasets cover the pre-1945 period. Roeder's dataset uses autonomous provinces as a unit of analysis and provides information on these provinces from 1901 to 2000 (Roeder, 2007). Not only the dataset does not include information about nationalist groups which did not have an autonomous province but also many provinces that never became nation states are missing from the dataset.

Existing datasets that cover earlier periods mostly focus on decolonization or major historical revolutions. In order to conduct analysis on decolonization movements in the world-system Bergesen and Schoenberg (1980), Taylor and Flint (2000) and Boswell and Chase-Dunn (2000) often used data from a comprehensive catalogue of colonial governors of 412 colonial jurisdictions compiled by Henige (1970). Yet Henige's catalogue ends in the 1970s and it is useful only for looking at colonial formation and dissolution processes. Likewise, Charles Tilly in his *European Revolutions* (1993) compiled a list of revolutionary situations in Europe from 1492 to 1992. Although it is possible and useful to categorize these revolutionary situations according to a particular definition of nationalism - as Tilly (1994) himself also attempted - this dataset does not

contain non-revolutionary situations, movements outside Europe or movements after 1992.

In the absence of an already existing dataset that can be used for our analysis, we established a new database of nationalist movements - State-Seeking Nationalist Movements (SSNM) database - from 1790 to 2012 using *The Guardian* and *The New York Times* newspapers archives. Our data collection method is largely inspired by the *World Labor Group* database compiled at Fernand Braudel Center at SUNY, Binghamton which collected a database of labor movements in the world since 1870 (Silver B. J., 2003). Similar to the WLG database, we also relied on major newspapers of the world's hegemonic powers. SSNM, however, is not a direct application of the WLG approach. Instead of using newspaper indexes we used digital search engines of historical newspaper archives. Digital historical newspaper archives and their search-engines provided us with further opportunities that the World Labor Group did not have. Appendix B discusses our data collection procedure in detail.

SSNM database is very useful for analyzing state-seeking movements after 1790. Thus we will use SSNM database in Chapter VI, Chapter VII and Chapter VIII. For previous period we need to rely on a number of different indicators derived from secondary sources. For this purpose we compiled another set of indicators regarding state-seeking activities using a number of secondary sources including Tilly's study on European Revolutions (1993), Boswell and Chase-Dunn's (2000) categorizations of Tilly's revolutions, Burg's study on Tax Revolts (Burg, 2004) and Minahan's (2002) Encyclopedia of Stateless Nations.

Although we will rely on SSNM database and these complementary indicators throughout the analysis our research strategy is not a quantitative one. The dominant research strategy for reducing the complexity of analysis in the social scientific literature is based on using historical and theoretical analysis to establish a set of hypotheses and to use quantitative statistical methods to test the validity of these hypotheses. As Wimmer's (2013) recent study on nationalism, state formation and ethnic exclusion in the modern world also illustrates, there is an emerging literature which uses quantitative approach based on global datasets of nationalism and tools of statistical analysis to identify recurring patterns. Although I have no opposition to the use of this strategy in general, this study prefers to do the opposite: We will use the existing datasets to *describe* the historical pattern of state-seeking nationalist movements and use "narrative strategy" to *explain* them.

As it is often underlined by historical sociologists, narrative strategy does more than tell a story: Narrating the unfolding of the temporally ordered, historically and geographically connected sets of events, helps us to identify causal mechanisms as well (Griffin, 1992; Quadagno & Knapp, 1992; Silver B. J., 2003). The reason for this choice is not related to the preferences of the author regarding how to conduct social scientific research in general but to the very purpose of this study. Our primary attempt here is not to test the validity of a number of existing hypotheses regarding nationalism which is fixed in time and space. We are also interested in understanding how these processes and mechanisms change in time and space. Hence, although we will provide a provisional theory and a set of hypotheses in Chapter II, our historical-comparative strategy aims at moving beyond this initial structural model and capturing the temporal and spatial

changes in the dynamics we put forward. That's why our "narrative strategy" has a dual purpose: On the one hand it attempts to illustrate the explanatory power of our conceptual-theoretical model in explaining the historical trajectory of state-seeking movements in the *longue durée*. On the other hand, it attempts to emphasize and discuss the emerging anomalies and changes in the causal processes and mechanisms - both in time and space - which will be extremely important to reconstruct a more robust theory of state-seeking and state-led nationalist movements.

To put it differently, this is not a "social-physics" study as August Comte originally coined the discipline we call sociology today. If we need to use an analogy from other disciplines - and if I may borrow from Arrighi's conceptualization of historical sociology - "geology" would be a better metaphor for this study than "physics". Like geologists who try to understand the historical accumulation of overlapping geological processes to understand the surface and subsurface structures of the Earth, we will investigate the historical accumulation of a number of macro-structural factors to understand the tempo and patterning of nationalist movements. From this perspective we see financialization processes and hegemonic transitions as important fault lines that systematically unleash a number nationalist earthquakes in different parts of the world in a complex set of ways. In this light we attempt to trace the historical evolution of a large web of fault lines to understand the possibility of nationalist eruptions in the 21st century. Before we present our theory and conduct our analysis, however, we first need to review the perspectives which claim that we do not need to expect strong nationalist earthquakes any more.

I. THE INVERSE-U THAT NEVER WAS: THE LONG ANTICIPATED DECLINE OF NATIONALISM IN THE POST-1945 ERA

The period from 1914 to 1945 was a climax for the historical trajectory of nationalism. In this period, the number of sovereign states in the inter-state system increased by 42 percent. Before the outbreak of World War I there were only forty five sovereign states in the world, at the end of World War II this number increased to sixty four. World War I was formally triggered by a nationalist problem - the Southern Slavian problem of Austrian Hungarian Empire (Kedourie, 1994, p. 129) - and it led to the dissolution of almost all formal contiguous empires including the Austrian-Hungarian empire, the Ottoman Empire, the Russian and even the Chinese Empire. During the war, Bolsheviks raised the slogan of the "right of nations to self-determination" and Wilson had to put the "right of self-determination of nations" into his famous *Fourteen Points*. In this period, nationalism proved to be an extremely strong force that neither communists nor liberals were able to ignore.

This was also the period when a number of historians and social scientists sought to carry out scientific examinations of nationalism. Most common descriptions underlined that nationalism started to take off in the late 18th century, gradually rose in the course of the 19th century and reached a peak in the early 20th century. Parallel to this quantitative rise, these narratives emphasized a qualitative change as well. Especially for liberal historians the story of nationalism was a story of "Sleeping Beauty" in the 19th

century when the people of the world started to wake up and rose against the tyranny of monarchies; but it suddenly turned into a story of "Frankenstein's Monster" in the early 20th century (Hechter, 2001, p. 6).

Curiously, however, most of these studies expected that a dual change in these trends would occur in the post-1945 era. They expected that nationalist movements both turn into a moderate force and decline in the upcoming decades. These expectations were constantly repeated in the course of the 20th century.

After the Second World War: Carr, Kohn and Deutsch

In his *Nationalism and After*, for instance, Edward Hallett Carr (1945) provided a compact analysis of the development and transformation of nationalism from the late middle ages to the end of Second World War in three overlapping periods. Carr's narrative summarized how nations emerged out of the interstices of medieval age in the image of sovereign monarchs in its *First Period* (Carr, 1945, pp. 1-6); how nations started to incorporate the "middle classes" and spread as a bourgeois ideology between 1789 and 1914 in its *Second Period* (Carr, 1945, pp. 6-17), and how this ideology started to mobilize large masses, gain a totalitarian character starting from 1870s and came to a climax between 1914 and 1945 in its *Third Period* (Carr, 1945, pp. 17-34).

Writing his book in 1945, E. H. Carr argued that we might be entering a *Fourth Period*, in which "nations and international relations are in the process of undergoing another subtle, not yet clearly definable, change" (Carr, 1945, p. 34). Carr observed that the world was moving on to "other forms of organizations" in which nationalism as we know it could only survive as an "anomaly" or an "anachronism" (Carr, 1945, p. 37).

The climate at the end of the Second World War will therefore be very different from that of 1919 when the disruption of the Habsburg, Romanov and Turkish empires under the banner of national self-determination was regarded as a landmark of progress in international relations. This may well turn out to have been the last triumph of the old fissiparous nationalism, of the ideology of the small nation as the ultimate political and economic unit (Carr, 1945, p. 36).

For Carr the motivation for national independence to establish smaller nation-states was no longer. "We shall not again see", he wrote, "a Europe of twenty, and a world of more than sixty, 'independent sovereign states' using the term in its hitherto accepted sense" (Carr, 1945, pp. 51-52). From now on, instead of *fission*, there would be a pressure for *fusion* among states, which aims at creating larger political structures in which nationalism would no longer be meaningful. This was *not* a prediction Carr made for a distant future; he merely described what was happening in front of his eyes:

As the Second World War draws to a close, none of the main forces that have gone to make the victory is nationalist in the older sense. Neither Great Britain nor the British Commonwealth was ever finally engulfed in the nationalist tide. The word 'British' has never acquired a strictly national connotation; and there is no name for the citizen of the entity officially known as 'the United Kingdom of Great Britain and Northern Ireland'. More significant are the non-national names and multi-national status of the two new giants of world politics - the United States of America and the Soviet Union. It is the pride of the United States to have been the "melting-pot" of nations. In the American army for the liberation of Europe men of German, Polish, Italian, Croat and a dozen other national origins have marched side by side; in the presidential election of 1940 one candidate could speak with pride of his Dutch, the other of his German, ancestry. In the Soviet Union a fluctuating attitude towards the national issue has ended, under a Georgian leader, in the emphatic promulgation of a comprehensive Soviet allegiance which embraces in its overriding loyalty a multiplicity of component nations (Carr, 1945, p. 36).

Carr was a British Marxist historian who closely examined the multifaceted transformations of nationalism in the *longue durée*. Thus his *Nationalism and After* attempted to explain new forms of transformations occurring in this historically evolved concept. His analysis regarding the multinational character of the great powers of the twentieth century could not be dismissed easily as well. In the aftermath of the Second World War, neither the victor capitalist states (such as United States of America and the United Kingdom) nor the rising socialist powers (such as United Socialist Soviet

Republics) resembled nation-states. Political developments that were taking place in China since late 1920s - thanks to the re-expansionist policies of the Kuomintang (KMT) and unificationist policy of the Chinese Communist Party after the revolution - also supported this argument. Thus despite the success of secessionist and separatist nationalist movements from 1870 to 1945, Carr realized that the general trend was actually the opposite: the need for establishing new states in national lines was decreasing.

Not everyone agreed with Carr's observations. Despite Carr's predictions, in the two years following the publication of *Nationalism and After* Jordan, Lebanon, Philippines, Syria, India and Pakistan became sovereign states. With this "hindsight", in 1947, one of the reviewers of *Nationalism and After* expressed his explicit disagreement with Carr's conclusion. "In the spring of 1945", he wrote, "it probably was safe to write with such presumptions; today [in 1947] it would seem to be a pious wish. With the advantage of hindsight, many students cannot share Mr. Carr's optimism. Nor could one share his views that 'fissiparous nationalism' may easily be cast aside" (Sarkissian, 1947, p. 185). True. During 1944 and 1945, there was a shared optimism among scholars who analyzed the political-economic trajectory of world affairs that resembled "pious wishes". These were the times when Karl Polanyi ([1944] 2001) was writing his famous thesis that the catastrophe created by the self-regulating markets taught humanity a lesson which was not to be repeated again. In the sphere of studies of nationalism, the number of scholars who were theorizing parallel lessons was rapidly increasing.

Indeed most of the historical taxonomies of nationalism that were published in this period shared this optimism. As Anthony Smith (1971) observed, post-war historians

usually described the trajectory of nationalism as a four-stage evaluative parabola, in which, “the story is one of a long decline from a pristine reasonableness into an inflammation and thence into a madness, from which we are beginning to recover, since contemporary nationalists couch their demands in more moderate terms” (Smith A. D., 1971, p. 194).

Table I-1: A Common Example of an Historical Taxonomy of Nationalism

Years	Nature of Nationalism
1815-1871	“Integrative” Phase, especially in Central Europe
1871-1900	“Disruptive” phase, i.e. of the old political units
1900-1945	“Aggressive” phase, culminating in the Nazi orgy
1945 - ?	“Contemporary” phase, world-wide diffusion

Source: Smith (1971, p. 194)

Most of these studies did not distinguish between state-led nationalist activities and state-seeking activities. For them the main distinction was between “aggressive” nationalism and “tolerant/moderate” nationalism. There was a widespread belief that the dispersion of liberal ideology – with its emphasis on toleration and moderation on the one hand and on individualism on the other – will bring the demise of all aggressive forms of nationalism, which included almost all kinds of separatist and secessionist activities as well.

"On the plane of morality", wrote Carr, "[nationalism today] is [also] under attack from those who denounce its inherently totalitarian implications and proclaim that any international authority worth the name must interest itself in the rights and well-being not of nations but of men and women" (Carr, 1945, p. 38). Hans Kohn - a liberal historian who is known to be one of the founding fathers of studies of nationalism - also suspected that with the two world wars, we may have entered another Thirty Years War of

nationalism, instead of religion. Similar to Thirty Years War of the 17th century, which brought Europe the period of religious tolerance, Kohn believed that the world wars of the 20th century could bring the world a period of tolerance in which "nationalist fissions" or "nationalist aggressiveness" of the earlier epoch would not be repeated. Kohn observed that this trend had already started in the West.

After the Second World War, nationalism [already] lost much of its hold on the West. The trend toward supranational cooperation developed rapidly; Western European Union and the Atlantic Community held greater promise for securing peace and for broadening individual liberty than nationalism (Kohn H. , 1955, p. 81).

Despite his explicit differences with Carr, Kohn's description of the trajectory of nationalism in the West was also a "rise and fall" movement: Nationalism, according to Kohn, emerged with the French Revolution¹, started to rise in the course of the 19th century thanks to liberal-democratic movements, showed its dark side during the catastrophic wars of the first half of the 20th century and now lost its hold in the West. Elsewhere Kohn compared this movement to "the morning, the noontide, and the evening of the historical day of nationalism" (Kohn, 1956, p. viii).

Unlike Carr, however, Kohn did not believe that nationalism had started to fall in the East yet. On the contrary, he was very pessimistic about the future of nationalism in the Asian, African and Middle Eastern countries. For him the decline of nationalism in these lands depended on the spread of "the liberal spirit of tolerance and compromise or the humanitarian universalism of a non-political religion" (Kohn H. , 1955, p. 90). Kohn realized that nations of the world were becoming more and more interdependent as a

¹ Elsewhere Kohn (1955, p. 16) argues that "the first full manifestation of modern nationalism occurred in seventeenth century England".

result of technological and economic reasons, but he rejected the formulation that these developments would automatically bring harmony and cooperation among peoples:

Thus at a period when means of technology seem to bind the various parts of the globe more closely than ever, and when the objective conditions for the development of international society seem propitious to an unprecedented degree, the beliefs and loyalties of peoples over vast parts of this globe have taken on forms which aggravate conflicting ideologies and deepen antagonistic class and national consciousness. [...] International society can only grow when fanatical ideologies will lose their hold upon the mind and spirit of tolerance and compromise, of self-criticism and fair-minded objectivity. Then only men of different convictions and religions and people of different nationalities and races will be able to live together in an international society with emphasis on common human values and individual personal independence and not on national rights or exclusive schemes of world salvation. (Kohn H. , 1947, p. 315)

Kohn's criticism was not without purpose. Indeed in the 1950s, a long list of scholars already started to argue that various forces - such as industrialization, international trade and/or social communication - were constantly reducing the impact of nationalism in the West as well as in the East. Carr, for instance, believed that "on the plane of power, [nationalism] is being sapped by modern technological developments which have made the nation obsolescent as the unit of military and economic organization and are rapidly concentrating effective decision and control in the hands of great multinational units" (Carr, 1945, p. 38). And in 1955, Boyd C. Shafer was not alone in arguing that

[t]he nation-state and nationalism are possibly beginning to decline today because modern technology, the volume of industrial production and commerce, the speed of communication, and perhaps the enlightenment of many people are making the national boundaries obsolete (Shafer, 1955, p. 10).

In the mid-1950s and early 1960s, these arguments were no longer a part of historians' subjective views regarding a future order either. They were promoted to the "objective" domains of quantitative research as "testable hypotheses". In 1953, in his *Nationalism and Social Communication*, Karl Deutsch (together with Robert M. Solow), established an econometric model of nationalism using rates of mobilization for intensive

social communication and rates of assimilation to the dominant medium of communication/culture as independent variables². According to Deutsch's theory, nationalist unrest was a function of dissonance between high level of social mobilization and low level of assimilation. To assess the validity of his theory - which is often regarded as the first quantitative theory of nationalism - Deutsch collected demographic statistics from Finn and Swedish cities in Finland, from Bohemia-Moravia-Silesia, from India and Pakistan and from Scotland. According to this theory, as long as the multiplicity of forces of modernity continued to mobilize the "underlying populations" for more intensive social communication, emergence of nationalist conflict would be based on their "rate of assimilation". Social communication was critical for both mobilization (of "underlying populations") and assimilation (of "differentiated populations"). Thus this theory implied that as social communication and industrialization diffused, nationalist conflicts would decline. Discussing the future of nationalism, Deutsch argued that:

not before the bottom of the barrel of world's largest people has been reached, not before inequality and insecurity will have become less extreme, not before the vast poverty of Asia and Africa will have been reduced substantially by industrialization, and by gains in living standards and in education - not before then will the age of nationalism and national diversity see the beginning of its end (Deutsch, 1953, p. 165).

² In Deutsch's language, "within any geographical setting and any population, economic, social and technological developments mobilize individuals for relatively more intensive communication" (Deutsch, 1953, p. 100). There are many indicators of being a part of "mobilized population": living in towns, engaging in occupations other than agriculture, forestry or fishing, reading newspapers regularly, paying taxes to a central government, being directly subject to military conscription, attending public or private schools for at least four years, attending markets at least once a month, sending or receiving letter at least once a month, being literate, going to movies, listening to radio, voting for elections, being insured under social-security schemes or working for wage in units with five or more employees etc. Deutsch's operationalization of forces of assimilation is less sophisticated. Although he recognizes that assimilation in dominant culture is very complex, he uses "language" as a crude indicator for rates of assimilation. "As a first approximation we may say that assimilation to a new language is progressing if the number of persons who are learning it during a given period is larger than the number of persons who are yet ignorant of it" (Deutsch, 1953, p. 99)

But this seemingly pessimistic conclusion, however, also meant that (1) nationalism was already about to end in the West and (2) once industrialization, urbanization and education brings these benefits to "the bottom of the barrel of world's people", the story of nationalism in the world will also be over. Deutsch's theory is very similar to "modernization" theories of political economy (Pryke, 2009, p. 35; Llobera, 2001)³. Like all "modernization" theories, because no counter-tendencies and contradictions were identified, the completion of this process in the East was simply a matter of time. When all underlying populations are mobilized and all differentiated populations are assimilated into the dominant culture, the result would be a world-wide unity because although modernization "has grouped people apart from each other [...] at the same time it is preparing them, and perhaps in part has already prepared them, for a more thoroughgoing world-wide unity than has ever been in world history" (Deutsch, 1953, p. 165). Thus taken as a whole and projected into the future, the logical consequences of Deutsch's theory of nationalism also put forward a "rise and demise" story in the shape of an inverse-U curve.

Capitalism, Imperialism and Decolonization

Despite these expectations, the number of sovereign states of the world increased by 150 percent within thirty years after the end of the Second World War. In 1945 Carr predicted that we may not see a world with more than sixty states. But in 1955 the number of sovereign states increased to eighty four, in 1965 to one hundred and twenty five and in 1975 to one hundred and fifty. "Political developments since World War II",

³ Hechter (1975, pp. 22-30) categorizes Deutsch under "diffusion models of nationalism", which is akin to "modernization theories".

Walker Connor observed in 1967, "clearly establish[ed] that national consciousness [was] not on the wane as a political force, but [was] quite definitely in the ascendancy."

Its force is currently being felt throughout sub-Sahara Africa and Asia, as ethnic consciousness demands political recognition, in place of the present political division that reflects colonial patterns. Moreover, the influence of nationalism is expected to increase greatly throughout these continents as the multitude of ethnic groups, many of whom are not yet cognizant of their identity, further acquire national awareness. The multination states of Europe and of areas settled by Europeans are also experiencing an increase in nationalistic orientations (Connor, 1967, pp. 52-53).

The motor of this spectacular rise of state-formation activities were the national independence movements of the former colonies. The process of decolonization added an unprecedented number of new countries into the modern inter-state system. Furthermore since the end of the world wars the imperialist powers did not attempt to establish new overseas or contiguous colonies. On the contrary, the US started to support decolonization movements. While a number of liberal theorists of imperialism celebrated these processes as the end of "imperialism" once and for all, this "new" phase of capitalism created an important theoretical and ideological puzzle for Marxist scholars and critical analysts of the imperialist world system.

At the core of the problem lied the definition and main characteristics of imperialism. Since 1900s a number of critical liberal and Marxist studies including Hobson's (1902) *Imperialism*, Hilferding's ([1910] 1981) *Finance Capital*, Bukharin's (1915) *Imperialism and World Economy* and Lenin's ([1917] 1999) famous pamphlet *Imperialism: The Highest Stage of Capitalism* saw finance capital as the motor of imperialism. These theories saw a strong link between finance capital, monopolization and territorial expansion; and used the wave of colonization and militarization that accelerated between 1870 and 1920 as an evidence for their argument. Imperialism was

the age of monopolistic competition between competing centers of finance capital which drove imperialist expansions and imperialist wars. And World War I and II were the strongest evidence of this simple fact.

But the end of the World Wars created a puzzle for these theories: After 1945 although the rule of finance/monopoly capital still remained and monopolistic competition still existed there was no current need for territorial expansion. On the contrary, the new needs of finance/monopoly capital seemed to be one of the driving forces behind decolonization. This process was definitely the end of Hobson's "new imperialism". However Marxist scholars who categorically refused to interpret this process as the end of imperialism, started to formulate this change as a transformation from "formal imperialism" to a "new imperialism", which can be called "imperialism without colonies" (Magdoff, 1978). In the 1970s, Magdoff was not the only one to argue that:

It would be wrong to say that modern imperialism would have been possible without colonialism. And yet the end of colonialism by no means signifies the end of imperialism. The explanation of this seeming paradox is that colonialism, considered as the direct application of military and political force, was essential to reshape the social and economic institutions of many of the dependent countries to the needs of the metropolitan centers. Once this reshaping had been accomplished economic forces [...] were by themselves sufficient to perpetuate and indeed intensify the relationship of dominance and exploitation between mother country and colony. In these circumstances, the colony could be granted political independence without changing anything essential, and without interfering too seriously with the interests which had originally led to the conquest of the colony (Magdoff, 1978, p. 139).

Similar arguments were put forward and further developed by dependency theorists and world-systems theorists in the 1970s. But this interpretation created a side-effect for Marxist conceptualizations of nationalist movements. Previously imperialism was seen as a force which constantly created territorial based national problems. Thus imperialism was truly the epoch of proletarian revolutions and national/colonial

movements of liberation. But now imperialism was defined more in economic dependency relationships in which territorial dependency did not have any significance. The new imperialism was no longer seen as a force that created new national problems. Thus as existing national/colonial problems were resolved, as decolonization was completed, national independence movements - as we knew them - would cease to exist.

Of course, a complementary part of this formulation was the recognition that the transformation of imperialism into new imperialism led to the transformation of formal national liberation movements to a *new* kind of national liberation movement. “[I]n the shape of empire”, Buchanan (1972) wrote, the “decolonization process has provided formal independence for colonies from a single imperial state but it has not provided independence from the imperial system as a whole”. Similarly in their *Anti-Systemic Movements* Arrighi, Hopkins and Wallerstein wrote:

At one level, since 1945, national-liberation movements have been magnificently successful. Almost all parts of the world that in 1945 were colonies of “metropolitan” states are today independent sovereign states, equal members of the United Nations. [...] And no doubt, too, a few struggles for the “transfer of power” are still going on, particularly in states that are already “sovereign” (South Africa, various parts of Central America, and so on). However, the bulk of the struggles for what might be called “formal” national liberation are now over (Arrighi, Hopkins, & Wallerstein, 1989, p. 56).

In this formulation, “formal” national liberation movements were over but new national liberation movements still had a lot to do. The task lying before the new national liberation movements, however, was of a *different* kind. They had to liberate themselves from their informal economic and political dependency to the imperialist countries and to struggle for development which was not possible under the unequal relationships posed by this new imperialism. Many Marxists and critical analysts of capitalism, hence, agreed

that there was not much role for state-seeking nationalist movements in the upcoming decades.

Perspectives on Nationalism in Marxist Traditions

This expectation by a new generation of Marxists may not be surprising at first sight. After all - it can be argued – Marxists have usually seen nationalism as a transitory phenomenon since Marx and Engels, who were the true pioneers of the Inverse-U hypothesis (Pryke, 2009; Brehony & Rasool, 1999, p. xi; Kellas, 1998, p. 129; Smith A. D., 1990). Yet this widely referred argument is not altogether accurate. To explain why this is not altogether true, we must give a break to our discussion of post-1945 predictions of nationalism and have a look at the changing perspectives in the Marxist tradition on this problem since *the Manifesto*.

It is true that, in 1848, *The Manifesto* explained the relationship between the development of the bourgeois society and nationalism in a curvilinear fashion. According to *The Manifesto*, the initial development of bourgeois society was the force which unified nations by increasing production, intensifying social mobilization and communication, providing interconnectedness, political centralization and uniform systems of governance (Marx & Engels, [1848] 1978, p. 477).

The bourgeoisie keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated production, and has concentrated property in a few hands. The necessary consequence of this was political centralization. Independent, or but loosely connected provinces, with separate interests, laws, governments and systems of taxation, became lumped together into one nation, with one government, one code of laws, one national class-interest, one frontier and one customs-tariff (Marx & Engels, [1848] 1978, p. 477).

The same bourgeois society which originally unified scattered populations into nations in its earlier phases, *The Manifesto* explained, was also a force which gradually

undermined the material basis of these nations in its later phases. "Through the rapid improvement of instruments of capitalist production" and "immensely facilitated means of communication", now, the bourgeoisie was able to draw all nations into civilization "on the pain of their extinction". As a result of the emergence of a closely integrated world-market and "uniformity in the conditions of life" (a.k.a cosmopolitanism), national differences and antagonisms between peoples gradually started to vanish in this later phase of capitalist development (Marx & Engels, [1848] 1978, p. 488). Considered as a whole, then, *The Communist Manifesto* also saw a clear "rise and demise" movement for the historical trajectory of nationalism.

Together with this long-historical and structuralist "rise and fall" trend, *The Manifesto* provided a second explanation for how nationalism may come to an end. If nations and nationalism were the products of political advance of bourgeoisie, *The Manifesto* underlined, their demise would be the result of the political advance of the working class through proletarian revolutions. Consistent with this interpretation, Marx and Engels linked their discussion of the demise of nationalism to the very success of proletarian revolutions:

In proportion as the exploitation of one individual by another is put an end to, the exploitation of one nation by another will also be put an end to. In proportion as the antagonism between classes within the nation vanishes, the hostility of one nation to another will come to an end (Marx & Engels, [1848] 1978).

According to *The Manifesto*, then, although structuralist forces were undermining the base of nationalism these forces would actually end when *the proletariat* became the victor of the class struggle. This was a concrete political strategy that Marx and Engels defended before writing *The Manifesto*. To give one example, on November 29, 1847, in an international meeting to mark the 17th Anniversary of the Polish Nationalist Uprising

of 1830, Marx made a speech underlining that Poland could not be liberated by Polish nationalists in Poland but only by Chartists in England.

Of all countries, England is the one where the contradiction between the proletariat and the bourgeoisie is most highly developed. The victory of the English proletarians over the English bourgeoisie is, therefore, decisive for the victory of all the oppressed over their oppressors. Hence Poland must be liberated not in Poland but in England. So you Chartists must not simply express pious wishes for the liberation of nations. Defeat your own internal enemies and you will then be able to pride yourselves on having defeated the entire old society (Marx K. , [1847] 1976).

Both of these interpretations - the structuralist vs. the political - about the future trajectory of nationalism by Marx and Engels are well known and they are referred to widely. What is less widely known and less widely referenced is the fact that after the defeat of the 1848 revolutions, Marx and Engels abandoned both versions of this position. Rather than seeing a gradual decline in nationalist tendencies, they started to see nationalism as a persisting problem waiting to be solved; and instead of arguing that these national problems would dissolve when proletarian revolutions became successful, they started to see these nationalist problems as an obstacle facing proletarian revolutions. In 1869, for instance, Marx already started to see the existence of the Irish problem as an obstacle facing before the proletarian revolution in England. He wrote:

I have become more and more convinced — and the thing now is to drum this conviction into the English working class — that [the English working class] will never be able to do anything decisive here in England before they separate their attitude towards Ireland quite definitely from that of the ruling classes, and not only make common cause with the Irish, but even take the initiative in dissolving the Union established in 1801, and substituting a free federal relationship for it. And this must be done not out of sympathy for Ireland, but as a demand based on the interests of the English proletariat. If not, the English people will remain bound to the leading-strings of the ruling classes, because *they will* be forced to make a common front with them against Ireland. (Marx K. , [1869] 1988)

The change of Marx's attitude toward nationalism did not start in 1869 with his recognition of the role of Irish problem. Even in 1864, for instance, during the opening ceremony of the First International meeting, Marx's and Engels's attitudes toward the

Polish nationalism were already the exact opposite of their attitude in 1847. They saw independence and unification of Poland as a working-class aim and underlined that Poland should gain its national independence first to be able to solve its class antagonisms later on. Furthermore, how to handle these "national liberation movements" became a dividing force within the First International. In the following years, Marx and Engels repeatedly underlined that the liberation of Prussian, German and Russian working classes rested upon the liberation of the Polish nation; they constantly criticized the Proudhonists for underestimating the role of national liberation movements even for the very success of working class movements in Europe and elsewhere (Engels, 1866). Later on Engels summarized the position of the First International regarding national problems as follows:

It is not in the least a contradiction that the *international* workers' party strives for the creation of the Polish nation. On the contrary; only after Poland has won its independence again, only after it is able to govern itself again as a free people, only then can its inner development begin again and can it cooperate as an independent force in the social transformation of Europe. As long as the independent life of a nation is suppressed by a foreign conqueror it inevitably directs all its strength, all its efforts and all its energy against the external enemy; during this time, therefore, its inner life remains paralyzed; it is incapable of working for social emancipation. Ireland, and Russia under Mongol rule, provide striking proof of this. [...] Another reason for the sympathy felt by the workers' party for the Polish uprising is its particular geographic, military and historical position. The partition of Poland is the cement which holds together the three great military despots: Russia, Prussia and Austria. Only the rebirth of Poland can tear these bonds apart and thereby remove the greatest obstacle in the way to the social emancipation of the European peoples. (Engels, For Poland: Speeches by Marx and Engels on Poland, 1875)

More of these kinds of examples can easily be provided, but it is not necessary for our purposes. Even these examples suffice to illustrate that, despite their original diagnosis of the trajectory of nationalism in *The Manifesto*, Marx and Engels did not continue to see nationalism as an ephemeral phenomenon which would decline due to social, economic and technological developments. They did not continue to believe that the demise of nationalism can be delegated to the success of proletarian revolutions

either. Rather than seeing it as a declining force, they recognized nationalism as a *developing* and *strengthening* force. However, they were not able to provide a full analysis of the forces behind the rise and strengthening of nationalism or the forces that might undermine the sources of nationalism.

This discussion was carried out by the second generation of Marxists between 1870s and 1920s (Hobsbawm, 1992, p. 2). Of course there were positions of all different kinds. Plekhanov, Radek, Luxemburg and majority of the Marxists of the Second International took a standing very close to the structuralist views expressed in *The Manifesto*. It is true that their narrative of the historical development of nationalism was a movement of a long rise and decline but they were not the only trend in Marxism. In the early 20th century, a second group of Marxists - who will be known as the Austro-Marxists (Bottomore & Goode, 1978) - started to recognize nationalism as a permanent feature of the modern world - not only of capitalism but also of socialism as well. Karl Renner in 1918, for instance, argued that nations must be seen both as "indestructible" and "undeserving of destruction".

Social democracy proceeds not from the existing states but from live nations. It neither denies nor ignores the existence of the nation but on the contrary, *it accepts it as the carrier* of the new order [...] Social democracy considers the nation both indestructible and undeserving of destruction [...]. Far from being unnational or anti-national, it places nations at the foundation of its world structure (c.f. Connor (1984, p. 28)).

Similar to Renner, Otto Bauer ([1907] 1995) also rejected the representation of the declining trend of nationalism proposed in *The Manifesto*. According to Bauer ultimate realization of the "principle of nationalism" would only be achieved under socialism. Similar to the idea of nationalism by Hobson (1902), Bauer saw the new imperialism of the late 19th and the early 20th centuries as an obstacle standing in the

path of the realization of this principle (Bauer, [1907] 1995, pp. 190-191). But there were important differences in the way Bauer and Renner defined nationalism. Their formulations were attempts to formulate "nationalism" in a non-political domain. Nations were different from each other because of their cultures (which includes their languages and ethnicities as well) and if their autonomy were provided for, they would not demand a state for their own any longer. Thus for Bauer and Renner, it was possible to protect the integrity of the Austria-Hungarian empire, meet the demands of "nationalists" and transform that empire into a socialist state at the same time. In a way, Bauer and Renner were the pioneers of Marxist theories of "cultural nationalism".

There was also a third trend in Marxism, whose most consistent representatives became Bolsheviks and later the Third International, opposed to both of the two trends previously mentioned. This trend neither agreed that capitalism would gradually undermine nationalism in its later phases nor believed that nationalist problems could be solved in the cultural domain. It argued that since the late 19th century, capitalism (which transformed into "imperialism") became a force which constantly created new national problems (Lenin, [1917] 1999). The scramble for Africa and race of colonization by imperialist powers were the clearest examples of why capitalism was not the solution but part of the problem of nationalist questions. Bolsheviks underlined that the destiny of national problems could not be delegated to the proletarian revolutions. They called communists to defend the right of nations to self-determination and to lead the national liberation movements in the world (Lenin, [1914] 1970). Bolsheviks' success in mobilizing national liberation movements during the October Revolution in 1917 and call for the liberation of all oppressed nations forced "the Allies to play the Wilsonian card

against the Bolshevik card" (Hobsbawm, 1992, p. 131). From 1917 to the late 1960s, "national liberation" and "socialism" started to converge: most movements of national liberation started to declare themselves as "socialist" and "national liberation" became a slogan of the left (Hobsbawm, 1992, pp. 149-150). And since then this had been the orthodox and most popular Marxist conceptualization of nationalism. Although at the end of the 1970s, the theory of nationalism was seen as "Marxism's great historical failure" (Nairn, 1977, p. 327) for almost a hundred year it was the Marxist analysis which shaped the intellectual and political discussions around nationalism.

Thus the reason why Marxists of the 1970s expected a decline in nationalist movements had not much to do with the original diagnosis in the *Communist Manifesto of 1848*. This expectation was more closely related to their diagnosis of the dynamics of the new imperialism, which broke away all links between imperialism and nationalism. For many Marxists, since the end of World War II, nationalism only meant anti-colonialism. Thus with the "success" of decolonization movements; they thought that they won one half of the battle but not the other half. Class struggle remained.

The 1970s were also an extremely unfortunate time to be arguing that state-seeking nationalist movements were seeing their demise because these were the times when secessionist movements returned to Western Europe with a vengeance. Undermining Kohn's expectations together with Carr's this time, in the late 1960s and early 1970s North Irish, Scottish and Welsh nationalist movements started to hit the United Kingdom, Basque nationalism became much more visible due to militant and violent activities of ETA in Spain and France, and Québécois nationalism turned first more radical than more popular in Canada due to the activities of many groups ranging

from Marxist Front for the Liberation of Québec (FQL) to *Parti Québécois*. These were not the only examples of nationalist revivals in the West. Yet they alone suffice to show that it was too early to declare that nationalism was over also in the West.

Decline of Nationalism Thesis in Gellner and Hobsbawm

The nationalist revivals of the 1970s produced a number of *modernist* theories and explanations of nationalism which used capitalism as one of the main themes. Michael Hechter (1975) in his *Internal Colonialism* established a theory of nationalism by analyzing the effects of the uneven development of industrial capitalism and stratification based on the 'cultural division of labor' on the power relations between culturally distinct groups. Tom Nairn (1977) also provided an analysis of new nationalist movements, in his words "neo-nationalism", in relation to uneven development. For Nairn, however, nationalism was an attempt of a rising bourgeoisie to resist subordination of a stronger and dominant bourgeoisie through the mobilization of people in a particular territory for capitalist development. These studies did not base their arguments on theses of industrial convergence or diffusion but mostly on the notion of "uneven development". In short, since 1970s, there has been a growing literature which tried to explain rise of nationalism based on the uneven development of capitalism (Hechter, 1975; Hechter & Levi, 1979; Nairn, 1975; Nairn, 1977) or emergence of various other forms of capitalism like "print capitalism" (Anderson B. , 1991).

This was not, however, the dominant trend in the studies of nationalism. Starting in the late-1970s, the ideology of (neoliberal) globalization and changes in the global political economy brought back expectations regarding the demise of nationalism. The

ideological hegemony of globalization eclipsed the "uneven development" theories of capitalism/nationalism and directed attention mainly to a world which was said to be transforming into a "global village". The discourse of globalization also came together with the belief that modernity was being replaced with a new structure, in which the power of nation-states would decline. In these new "post-industrial" or "post-modern" societies, it has been argued, the desire to create new states will no longer be meaningful or necessary. Jürgen Habermas's (2001) "post-national constellation", Martin Köhler's (1998) movement from "the national public sphere to cosmopolitan public sphere", Ulrich's Beck's (1992) "age of politics of post-nationalism" all underlined that the age of the Westphalian state system was over. Arjun Appadurai (1996) extended Benedict Anderson's (1991) thesis and put forward the idea of "imagined worlds" that is, the multiple worlds which are constituted by the historically situated imaginations of persons and groups spread around the globe. Although some scholars attempted to highlight the contradictions created by forces of globalization (Castells, 2004; Castells, 2000), many marxist or non-marxist critical scholars - ranging from Harris (1990; 2003) to Hardt and Negri (2000) - continued to argue that nations and nationalism are destined to decline in the contemporary era of global capitalism using different theoretical explanations for why this is so. Even the most critical analysts of nationalism argued that the world we are living in today undermines the basic assumptions of nationalist theory. Ernest Gellner and Eric Hobsbawm are two of these examples.

Ernest Gellner

Gellner's original theory of nationalism (1964; 1983) focused on the needs of the industrial society. Gellner observed that unlike agricultural societies, industrial societies

required a high level of social mobility to operate, which, in turn, required the imposition of a “high culture”, in other words a particular form of cultural (i.e. linguistic) homogeneity. This could be made possible only by "modern education", which was a device for reproducing this "high culture". According to Gellner's perspective, state-seeking nationalist movements were the reactions of regional intelligentsia against the cultural barrier of these "high cultures" in multiethnic societies (Gellner, 1983). Thus especially in the early phases of industrialization, he expected that nationalist reactions would rise; but not in its later phases.

Especially after 1980s, Gellner started to underline more often that with the transition from early industrialism to late industrialism, with increasing affluence and stability, the sharpness of nationalist conflict may be expected to diminish (Gellner, 1983, p. 121; Gellner, 1991; Gellner, 1994). He believed that late industrialism was modifying the occupational structure, standardizing existing cultures and creating an economic and cultural convergence. And he was optimistic about the consequences of this convergence:

Economic and cultural convergence jointly diminish ethnic hostilities. [...] This, at any rate, is the desirable end point of development which, under industrialism, has transformed the relationship between culture and polity. After the storm, a relative calm (Gellner, 1991, p. 131).

Although he was very cautious in formalizing this idea, even in his later writings Gellner insisted that ethnic-linguistic struggles within and between nations might decrease under late industrialism because:

There is an element of truth in the Convergence Thesis: advanced industrial societies, at least when they started from a reasonably similar point, come to resemble each other. Differences between languages become phonetic rather than semantic: similar concepts are clothed in diverse sounds but the concepts do come closer to each other. General affluence diminishes intensity of hatreds, and gives everyone that much more to lose in case of violent conflict (Gellner, 1994, p. 28).

Encounters with Nationalism provided Gellner's "stages in the evolution of nationalism" (Gellner, 1994, pp. 23-31; Özkırımlı, 2010, pp. 98-105). Gellner's five stages closely resembled the inverse-U parabola that the post-War nationalist theories proposed. His fifth period, which covered the post-1945 era, underlined that there would be a high level of satiation of the nationalist principle, accompanied by general affluence and cultural convergence that leads to a diminution of the virulence of nationalism.

Eric Hobsbawm

Eric Hobsbawm also defended the thesis that in the world we are living in is not suitable for state-seeking nationalist movements. This was because

urbanization and industrialization, resting as they do on massive and multifarious movements, migrations and transfers of people, undermine the other basic nationalist assumption of a territory inhabited essentially by an ethnically, culturally and linguistically homogeneous population. [...] The movement of peoples has [...] restored the ethnic complexity which barbarism sought to eliminate. Only today the typical 'national minority' in most countries receiving migration, is an archipelago of small islands rather than a coherent land-mass. Otto Bauer may have some relevance to their problem, but not Mazzini (Hobsbawm, 1992, p. 157).

For Hobsbawm the global spread of urbanization and industrialization together with the technological revolutions in transportation and communication has been undermining Mazzini-type (state-seeking) movements since World War II. "The more a society is urbanized and industrialized", Hobsbawm argued, "the more artificial the attempt to confine ethnic communities operating in the wider economy to territorial homelands" (Hobsbawm, 1992, p. 158). This does not mean that ethnic and linguistic problems do not exist today. Ethnic and linguistic problems of minorities persist but these types of "nationalism" start to "los[e] their dependence on national state power" (Hobsbawm, 1992, p. 162) and become more and more social and cultural problems, not political and territorial ones. Furthermore the same processes undermine the old functions

of "nations"⁴. Hobsbawm underlines that since World War II, the role of national economies are in decline and thus:

'The nation' today is visibly in the process of losing an important part of its old functions, namely that of constituting a territorially bounded 'national economy' which formed a building block in the larger 'world economy', at least in the developed regions of the globe. Since World War II, but especially since the 1960s, the role of 'national economies' has been undermined or even brought into question by the major transformations in the international division of labor (Hobsbawm, 1992, p. 181).

Based on these observations Eric Hobsbawm also believed that territorial nationalism would "no longer be the historical force it was between the French Revolution and the end of imperialist colonization" (Hobsbawm, 1992, p. 169). This was his version of the Inverse-U patterning of nationalism.

The first edition of *Nations and Nationalism* was published in 1990. In 1989 there were hundred and sixty one sovereign states in the world. Within two years of the publication of *Nations and Nationalism* twenty more states were established. This was mainly due to the unexpected rise of nationalist movements (or of "fragmentation" in Hechter's (2001) words) in the territories of the USSR and Eastern Bloc countries. Thus in the second edition of *Nations and Nationalism* Eric Hobsbawm attempted to explain this anomaly. Hobsbawm underlined that the movements of 1988-92 period were the "unfinished businesses" of 1918-21 period. However his conclusion remained the same: nationalism would no longer be a prominent force of history. In his survey of existing nationalist movements in the world, Hobsbawm recognized the rise of various social and political movements in different parts of the world that "resembled" the "nationalism" of the previous epochs. Yet for him, these movements were not nationalist movements in

⁴ A similar version of this idea - which is also an inverse-U argument - can also be seen William McNeill's (1986) long historical analysis titled "Polyethnicity and National Unity in World History". A compact version of the argument can be seen in McNeill's (1994) "Reasserting the Polyethnic Norm".

the *proper sense* of the word. They were supranational or infranational movements dressed as national ones. But these movements

create the illusion of nations and nationalism as an irresistibly rising force ready for the third millennium. This force is further exaggerated by the semantic illusion which today turns all states officially into 'nations' (and members of the United Nations), even when they are patently not. Consequently, all movements seeking territorial autonomy tend to think of themselves as establishing 'nations' even when this is plainly not the case. [...] Nations and nationalism therefore appear more influential and omnipresent than they are (Hobsbawm, 1992, pp. 177-178).

Thus if we do not talk about "nationalism" in the general sense of the word but precisely focus on "state-seeking nationalist movements" Hobsbawm's prediction is also clear: There is no place for state-seeking nationalist movements in the 21st century.

The End of Nationalism with the End of (Capitalist) History

When Francis Fukuyama (1992) declared that the collapse of the USSR led to the ultimate victory of "liberal democracy" and marked the "end of mankind's ideological evolution [.. and the] final form of human government", Immanuel Wallerstein was among his harshest critics. Wallerstein argued that let alone talking about the triumph of liberal democracy, the collapse of the USSR would hasten the decay of capitalism. Wallerstein was not talking about the decline of US hegemonic power, but of the capitalist world system as a whole:

After say 2050 or 2075, we can thus be sure of only a few things. We shall no longer be living in a capitalist world economy. We shall be living instead in some new order or orders, some new historical system or systems. And therefore we shall probably know once again relative peace, stability and legitimacy. But will it be a better peace, stability, and legitimacy than we have hitherto known, or a worse one? That is both unknowable and up to us (Wallerstein, 1995, p. 45).

Although their "end" stories were very different from each other, Fukuyama and Wallerstein agreed on one theme. In this new world there would be no place for nationalism. Fukuyama's story was not new. For him the decline of nationalist tendencies

- which has already started - was due to a combination of forces (e.g. tolerance, economic and cultural integration and globalization) we have outlined above:

It is curious why people believe that a phenomenon of such recent historical provenance as nationalism will henceforth be so permanent a feature of human social landscape. Economic forces encouraged nationalism by replacing class with national barriers and created centralized, linguistically homogeneous entities in the process. Those same economic forces are now encouraging the breakdown of national barriers through the creation of a single, integrated world market. The fact that the final political neutralization of nationalism may not occur in this generation or next does not affect the prospect of its ultimately taking place (Fukuyama, 1992, p. 275).

Unlike Fukuyama, Wallerstein's reasoning was based on the decline of the capitalist world system. Although Wallerstein has not conducted an empirical study of nationalism, from Wallerstein's existing writings (Wallerstein & Phillips, 1991; Wallerstein, 1995; Wallerstein, 2004) it is possible to deduce his version of the Inverse-U trend. In their *National and World Identities and the Interstate System*, Wallerstein and Phillips (1991) narrated the *longue durée* of the contradiction between nationalism and internationalism. They used a historical taxonomy, which is roughly based on the taxonomy of Carr (1945), to describe the trajectory of nationalism:

We may distinguish three major periods in the history of the interstate system (within the framework of the developing capitalist world-economy). The first period, from *circa* 1450 to perhaps 1815, is one in which a series of states were created in Western Europe (usually through not always by means of some variant of absolutism). [...] In this period we had "statism" but virtually no "nationalism". [...] In the nineteenth century, [the second period] nationalism began to replace statism as the ideological cement of the political entities but it was also the period in which the class struggle first took an organized and overtly political form. Finally, [in the third period] the antagonistic co-operation of nationalism and class-struggle became far more intense in the period after 1914-17 as anti-systemic forces blended the social movement and the national movement while the conservative forces used the very same blend to support the *status quo*. (Wallerstein & Phillips, 1991, p. 143)

Wallerstein argued that "a central feature of this modern world-system [...] has been towards the state (or nation-state) to become the general political form and towards the global extension of the interstate system consecrated by the Treaty of Westphalia (1648) in the wake of Thirty Years War" (Wallerstein & Phillips, 1991, p. 140). Thus

according to this perspective, the historical movement of nationalism was a function of the spread of the nation-states and the extension of the interstate system. As Wallerstein put it elsewhere, "over four to five hundred years, internal order has been steadily increasing. We may call this the phenomenon of the rise of 'stateness'" (Wallerstein, 1995, p. 41).

Nationalism did not exist in the *first period* of the capitalist world-system. This *first period* (1450-1815) dissolved the political arrangements of feudal Europe and replaced them by "a system of territorially bounded sovereign states, administratively centralized and possessing a virtual monopoly of the available means of coercion" (Wallerstein & Phillips, 1991, p. 143). The transformations occurred unevenly in time and space, and they triggered widespread resistance and civil wars, but not yet in a nationalist form. The interstate stability was provided with the Peace of Westphalia (1648). This was the period of "statism without nationalism", in which absolutist authority of the state was embodied in the person of the sovereign.

At the end of the 18th century, the interstate system was shaken with turbulence and violence. These developments opened *the second period*, where the existing notion of sovereignty was replaced by notion that sovereignty resided in the people of nation. "The Congress of Vienna of 1815 was intended to restore the system and, in particular, to consecrate the balance of power arrangements among the great powers [...] whose unlocking policies had provided the pivot to the interstate system before 1789" (Wallerstein & Phillips, 1991, p. 145). As the capitalist world economy and its interstate-system extended across the globe under the British hegemony, nationalist movements also gathered increasing force. The end of the century saw the bifurcation in

nationalisms, (1) as a pro-systemic imperialist and expansionary force, and (2) as an anti-systemic force, which led to World War I and World War II.

The third period, further developed the idea of sovereignty by bringing "the full right of all nations to self-determination" to the front. The stability of the system was re-established in 1945, when the US replaced British hegemony. This time the organizations of the inter-state system were made more elaborate (such as the complex United Nations system) and also nationalism spread to all parts of the world. Decolonization was the last wave of the drive for statehood. Once all colonies had become members of the United Nations, the drive for statehood was complete. Although "national liberation" was still a political motto, from then on, it had a different meaning:

The successes of nationalist movements in Asia and Africa in achieving national independence have induced the emergence of new arenas of nationalist struggle and has changed the form of their ideological representation. The struggle against colonialism has been replaced by the struggle against neo-colonialism, and within the interstate system there has been the emergence of the movement of nonaligned states, the Group of 77 in UNCTAD, and other similar organizations. The ideology of national liberation moreover has continued to be critically relevant throughout the period in situations where formal colonial apparatuses have long been demolished (Note, for example, Nicaragua) (Wallerstein & Phillips, 1991, p. 152).

For Wallerstein between 1450 and 1992 the modern-system gradually moved toward "stateness" and from 1789 to 1970s, this drive was the primary force behind the nationalist movements of the modern world. As these nationalist movements succeeded in gaining their independence and creating the modern states of the modern world, the national independence movements as we knew them declined. The meaning of national liberation changed and turned into the struggle against the economic domination of the "neo-colonial" rule. Together with the gradual dissolution of the foundations of the capitalist world system, Wallerstein argues, the desire for stateness is also going into the trash bin of history. At the sunset of the modern-world system, nationalism ceases to be a

major force. Of course, various struggles continue but the emerging forms of unrest cannot be called "nationalisms" because they would not seek another state for their own.

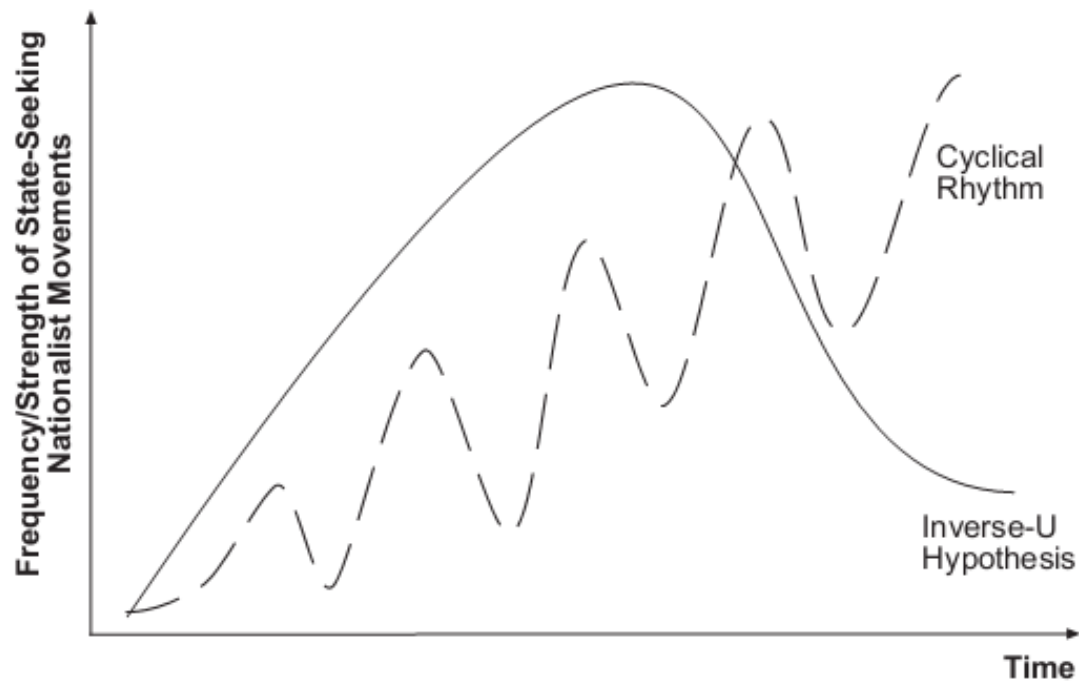
If the states (and the interstate system) come to be seen as losing efficacy, to where will people turn for protection? The answer is already clear - to "groups". The groups can have many labels - ethnic/religious/linguistic groups, gender or sexual preference groups, 'minorities' of multiple characterization. This too is nothing new. What is new is the degree to which such groups are seen as an *alternative* to citizenship and participation in a state that by definition houses many groups (even if unequally ranked) (Wallerstein, 1995, p. 42)

In short, like Hobsbawm, Wallerstein also believes that Otto Bauer's proposal will be more relevant in addressing nationalist grievances than Mazzini or Lenin in the 21st century.

Main Argument of Our Study and Four Challenges to Face

I disagree with these conclusions. Although it is true that nations and nationalist movements are products of historical, social and political forces, there is no scientific evidence that movements aiming at establishing new states have lost or are about to lose their historical force. On the contrary, I believe that there are theoretical reasons and sufficient empirical evidence to believe that we are about to face a much stronger wave of nationalist upsurge in the upcoming years. All of these different approaches have a similar description of the historical trajectory of nationalism. Although there are serious differences in how they deal with the issue of geographical differences and time lags of this historical trajectory, very crudely speaking, they all see a long historical rise and fall, in one way or another.

Figure I-1: The Illustration of the Inverse-U and the Cyclical Rhythm Hypotheses



In this study, I attempt to show that nationalist movements have a broadly cyclical rhythm in the *longue durée* (see Figure I-1, above). In the following chapter, I will present an alternative theoretical and conceptual framework which explains the logic behind this cyclical movement.

However, the theories and approaches I summarized above cannot be dismissed easily. Any study which attempts to provide a scientific analysis for the historical trajectory of nationalism in the 21st century must face the challenges posed by the arguments of these scholars. Although they are written in different time periods, from different perspectives, with different concerns in mind (and unfortunately with different definitions of nationalism) they pose significant challenges we must encounter on theoretical and methodological grounds. Below I will discuss four main issues that we

need to take into account for a proper understanding of the historical trajectory of nationalist movements overtime.

Success of Nationalism Thesis

There is an implicit assumption in some of these theories and explanations that nationalism must decline in time as it becomes successful. Although we did not discuss his position above, John Breuilly is the one who formalized this idea in a more concrete and systematic way. In his *Nationalism and The State* Breuilly underlines that "nationalism remains distinctive only for so long as it is unsuccessful. [...] In so far it succeeds in doing so it abolishes its own foundation" (Breuilly, 1982, p. 390). This idea is not new. As settler colonies received their statehood, as independence movements became successful in dissolving formal empires, as imperial colonies received their liberation, many people assumed that nationalism would decline. This expectation was very explicit in the first liberal nationalists of the 19th century - like Mazzini - who saw nationalism as a force of transition to a new world in which *all* nations would be free. It is still explicit in perspectives which declared the end of formal national liberation movements with the end of decolonization. Wallerstein's conceptualization of the trajectory of nationalism also resonates with this idea: The capitalist world system pushed peoples of this world to disintegrate the pre-capitalist political formations (i.e. empires) and establish new states; and they were highly successful in doing so. Their success was the demise of nationalism as we know it. This is also probably why, after the collapse of the USSR, Hobsbawm underlined that the movements of the 1989-1991 were the "unfinished businesses" of the 1918-1921 period. "If these entities were not incorporated under a new socialist federation and gained their independence properly", it is assumed,

"national problems in these territories would also have been solved". In short, the expectation is clear: As we move from a world of non-nation states to a world of nation-states, the need for nationhood is expected to decline. This is also Breuilly's conclusion:

I also believe that in a world made up of nation-states, especially the developed world where those state are increasingly concerned with the effective management of more or less free market economies, the conditions for the emergence of such national movements largely cease to exist (Breuilly, 1982, p. 400).

There is also quantitative evidence for this argument. In a logistic regression analysis to estimate the effects of covariates on the likelihood of nation-state creation, Wimmer (2013) tests the hypotheses that emerge out of Meyer's diffusion theory (Meyer, Boli, Thomas, & Ramirez, 1997) and finds out that "the term for global diffusion is negative and significant, meaning that the more the world is populated by nation-states, the less likely any additional nation-states will be founded" (Wimmer, 2013, p. 98). Although Wimmer (2013, p. 98) finds this finding "substantially meaningless", the argument has a convincing theoretical basis for many scholars.

The justifications for why nationalism must decline as it becomes successful feed from a number of interrelated biases. First of all, most historical-comparative studies on nationalism focus more on successful cases of nationalist movements than on unsuccessful ones. Movements of small nations, failed state formation projects, empty-handed revolts are often easily ignored. Comparisons of successful nationalist revolts and analyses of nationalism based on datasets on nation-formation (or civil wars for that matter) also contribute to this bias. This bias prevents the observers to understand the contradictory nature of nation-formation processes. True, every nation is an "imagined community" (Anderson B. , 1991) but there are often alternative and competing imaginations for nationhood in a single territory. When nationalist aspirations clash, one

group's (nation's) imagination becomes another's imprisonment. That is why, when a nationalist movement succeeds it often solves one "national" problem at the expense of creating other ones. To put it differently, almost every successful instance of nationalism creates an "unfinished business" of one type or another. Historians observed this in the case of 1848 revolutions very explicitly.

Appealing to the conscience of liberal Europe for the rights of nationality against Habsburg domination, as far as they themselves were concerned, Magyars were at the same time in no way willing to apply the same standard to other peoples. The "liberation" of Magyars meant the oppression of non-Magyar peoples within what the Magyars regarded as the historical frontiers of the medieval Hungarian Kingdom. But it was not only in the case of the Magyars that nationalist aspirations clashed. It was this clash of nationalist revolutionary aspirations among themselves which defeated the 1848 revolutions in Central Europe (Kohn H. , 1956, p. 51).

However this clash between contradictory nationalist aspirations is not only confined to 1848 revolutions. Independence of Indonesia against the Dutch imperialism created a free Indonesia on the one hand, a number of state-seeking movements (e.g. Aceh, Sulawesi etc) on the other hand. Similarly independence of India, Sri Lanka and Pakistan against the British resolved particular national problems while creating new ones. Nationalist aspirations of the Turks within the Ottoman Empire were in direct conflict with the nationalist aspirations of the Kurds. *Pace* Breuilly, unfortunately it is a tautology to say that if all nationalist movements are successful, nationalism will decline: The question we must face is whether or not it is not possible that all nationalist movements can be successful at the same time. From the perspective of this study, the answer is no. We will examine the theoretical basis of answer in relation to the inherent conflict between state-led nationalism and state-seeking nationalism in Chapter II.

Secondly, despite their focus on the constructed nature of nations, most historical examinations of nationalist movements ignore the extremely heterogeneous nature of

state-formation and nation-formation processes. True, nationalists also make the history of their nations but - if I may borrow from Marx ([1851] 1978) - "they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past". For instance, most nationalist movements have to engage in different coalitions and alliances between representatives of different political groups, sometimes of different "nations" (Wimmer, 2013, pp. 39-72). Almost no state in history has been established by a single, homogeneous national movement. Hence, it is always possible that the day comes when existing negotiations are broken by one party or the other. There are times beyond control that push different parties to break these promises, coalitions or alliances for this or that reason.

Similarly, when nations gain their independence, they often do it not within the territories they wish. They have to rule over groups who do not want to belong to this new nation. According to Rudolph (2003) this is one of the key factors behind the steady growth in the incidence and significance of nationalist conflicts in the "Third World".

When these predominantly Third World areas began to achieve their independence in large numbers after World War II, they overwhelmingly did so within the boundaries drawn by their European rulers during the colonial era. As a consequence, the vast majority of the independent states which emerged in post-War Africa and Asia tended to be multinational – and even extensively so. Moreover when independence was achieved [...] the minority ethnic groups in these newly self-governing countries began to assert their right to national self determination against the other ethnic fellows now governing their respective countries. (Rudolph, 2003, p. xxi)

Although Rudolph's examples are from the African and Asian colonial movements, as Craig Calhoun (1997, p. 118) underlines "no nation-state ever existed entirely unto itself". All nation-states emerged in an international context. Hence, international agreements, recognitions of mutual sovereignty played a significant role in

how states of the modern world have been established. In many cases relationships between great powers settled the fate of many nations. Between the two world wars of previous century, for instance, Flemish people declared their independence in 1917; Rhineland in 1919 and 1923; Bavarians in 1918; Abkhaz people in 1918 and 1920; Basques in 1931; Catalans in 1931 and 1934; Alawites in 1939; Montenegrins in 1943 (Minahan, 2002) but none of these declarations of independence were recognized. Likewise, sometimes, nations gain their independence and are recognized but some parts of their territories become "contested territories", which establish the basis for new "irredentist movements".

Finally it is always possible that "new" national identities may emerge. As Ernest Gellner (1983) puts it, "nationalism can invent nations where they do not exist". For these reasons, establishment of independence is by no means a guarantee for the survival of the territorial unity of the state. After independence, ruling nations have to preserve the loyalty of their population through use of force and consent. As Renan once said, "a nation's existence is a daily plebiscite" (Renan, [1882] 1996). That is why it is not true that nationalism undermines itself as it succeeds. On the contrary preserving the continuity of a nation and containing state-seeking nationalism is a highly contentious matter.

Capitalism, States and Nationalism

A more explicit assumption in some of these arguments- e.g. Shafer, Hobsbawm, Fukuyama - is that as we move from national to global markets, from early industrialization to late-industrialization, old functions of nations diminish,

cosmopolitanism increases, and the need for statehood and nationalism declines. For those who additionally saw an inherent relationship between the emergence of global markets and the decline of state power, processes like globalization emerges as a very strong threat for nationalist movements. This old idea - that nationalism would decline under the pressure of global social, cultural and economic integration - has long been criticized by the opponents of modernist theories such as Anthony Smith (1990; 1995; 1996), and the post-1990 upsurge of nationalist movements has widely been used as an evidence against the validity of this thesis

[In a Global Era] it would be folly to predict an early supersession of nationalism and an imminent transcendence of the nation. Both remain indispensable elements of an interdependent world and a mass-communications culture. For a global culture seems unable to offer the qualities of collective faith, dignity, and hope that only a "religious surrogate" with its promise of a territorial culture-community across the generations, can provide. Over and beyond any political and economic benefits that ethnic nationalism can confer, it is the promise of *collective and territorial immortality*, outfacing death and oblivion, that has helped to sustain so many nations and nation-states in an era of unprecedented social change and to renew so many ethnic minorities that seemed to be doomed in an era of technological uniformity and corporate efficiency (Smith A. D., 1995, p. 160).

These sorts of criticisms underline that modernists "overestimate" the power of economic, cultural and social integration that an interdependent world brings and they insist on the ethnic (or ethno-symbolic) nature of the nations. I disagree. I agree with the modernist school on the fact that economic integration and development of capitalism has significant effects on nationalism, which can diminish nationalist tendencies. Nationalism, I believe, is neither eternal nor natural. My criticism against the scholars who expect a decline in nationalist tendencies as global capitalism takes off is different. I think they do not "overestimate" but "underestimate" the effects of capitalism.

Any theory which attempts to establish such relationships between various forces of capitalism (industrialization, commerce, consumption patterns, etc.) and nationalism

must take into consideration three important issues. First one is the "uneven development of capitalism across space", both at the global and at the national levels. There are important achievements in this field. Marxists of the early 20th century provided theoretical and conceptual tools to analyze the uneven development of capitalism at the global level and its effects on movements of national liberation (Lenin, [1917] 1999). Furthermore, Hechter's (1975) theory of internal colonialism was an attempt to investigate the effects of "uneven development" on nationalism at the national level. Gellner's (1964; 1983) theory of nationalism is also based on the effects of uneven industrialization. Similar attempts to expand on these fields are necessary.

The second issue is the "uneven development of capitalism across time". Studies of nationalism have not focused on this dimension properly. Capitalism does not linearly progress from national markets to global markets. There are periods of expansions and contractions, booms and crises, switches back and forth between strategies that prefer national markets or international ones (Arrighi, 1994; Boswell & Chase-Dunn, 2000; Wallerstein, 2004). Forces that create cosmopolitanism and diminish it simultaneously exist in capitalism. Thus a proper investigation of how forces of capitalism interact with nationalism must take these switches into consideration.

The third issue is that a proper investigation of the uneven development of capitalism in time and space requires an examination of the relationship between market-making and state-making activities. Capitalism is not a system that works according to the logic of capital alone. It is a hybrid system that contains both the "logic of capital" and the "logic of territory" (Arrighi, 1994). However these two forces cannot be deduced from each other (Harvey, 2003; Arrighi, 1994). Sometimes the expansion of global

markets requires expansion of state territories, sometimes expansion of state-territories diminishes endless accumulation of capital. There are times when capital requires "smaller states" and times when it cannot survive without further expansion of state power. We must keep in mind that in the 1940s, Carr's explanation for the decline of nationalism was not due to the expansion of national markets but due to the territorial expansion of the states. Both market-making and state-making activities have affected the development of nationalism in very different and often contradictory ways (Calhoun, 1997, pp. 104-122). Thus a proper analysis of the trajectory of nationalism across history requires a proper theory of historical capitalism.

Transformation Problem

The third problem we must face is related to the changes in the forms of nationalist unrest. An important part of the debate related to the contemporary rise of nationalist movements is stuck on the question of "what is nationalism?" Providing empirical evidence for the fact that there is an intensification of social and political movements directed against existing state power in the last decades is not enough for our purposes. We also have to show that these movements are "truly" nationalist.

In the second edition of *Nations and Nationalism*, as we have discussed, Hobsbawm recognizes a rise of movements that resemble nationalism but argues that these movements cannot be considered as nationalist in the *proper sense* of the word. Similar concerns can be found in Wallerstein's writings as well. What is, then, nationalism in the *proper sense* of the word?

The difficulty is that the forms of nationalism change across time and it is extremely difficult to provide a stable, objective definition of the phenomenon. As Walter Bagehot once observed "we know what [nation] is when you do not ask us, but we cannot very quickly explain or define it" (Bagehot, 1887, pp. 20-21). The existing conceptual ambiguity surrounding the term nation and nationalism, what Clifford Geertz (1994, p. 29) calls as a "stultifying aura", has been the center of the majority of the contemporary debates on nationalism (Hobsbawm, 1992, p. 5). Today many scholars argue that "the central difficulty in the study of nations and nationalism has been the problem of finding adequate and agreed definitions on the key concepts, nation and nationalism" (Hutchinson & Smith, 1994, p. 3). It would not be an exaggeration to suggest that the only consensus among scholars of nationalism is "the lack of consensus about the scientific definition of nation or nationalism" (Deutsch, 1953, pp. 3-14; Snyder, 1976; Connor, 1994; Hobsbawm, Nations and Nationalism since 1780: Programme, Myth, Reality, 1992; Greenfeld, 1992; Hutchinson & Smith, 1994). As Hobsbawm writes:

Most of the literature has turned on the question: What is a (or the) nation? [...] The problem is that there is no way of telling the observer how to distinguish a nation from other entities *a priori*, as we can tell him or her how to recognize a bird or to distinguish a mouse from a lizard. Nation-watching would be simple if it could be like bird-watching. (Hobsbawm, 1992, p. 5)

It can be argued that, this problem is not limited to the case of nationalism but can be observed for many different topics of sociological inquiry. However, specific aspects of nationalism also contribute to this confusion. One of the key reasons for the inability of social scientists and historians to provide a scientific definition for the concepts of "nation" and "nationalism" is that nationalism is a constantly evolving phenomenon that has taken very different forms across time and space, which makes it very difficult to describe as a totality. Most of the definitions valid for a particular time and space will be

invalidated by the future shapes of the phenomenon. That's why for some scholars "nationalism is a will-o-the-wisp. Now you see it, now you don't" (Minogue, 2003, p. 95). Hans Kohn (1956) suggested that:

Nationalities are the products of living forces of history, and therefore fluctuating and never rigid. They are groups of the utmost complexity and defy exact definition. Most of them possess certain objective factors distinguishing them from other nationalities like common descent, language, territory, political entity, customs, tradition or religion. But it is clear that none of these factors is essential to the existence or definition of nationality. The people of the United States do not claim common descent to form a nationality, and the people of Switzerland speak three or four languages and yet form one well-defined nationality. Although objective conditions are of great importance for the formation of nationalities, the most essential element is a living and active corporate will. It is this which we call nationalism, a state of mind inspiring the large majority of a people, and claiming to inspire all its members (Kohn H. , 1956, p. 13).

This *evolving*, and *highly fluid* nature of nations poses serious problems for scholars of social science and humanities who attempt to provide a theory of nationalism or an empirical analysis of it. First of all, the fluid nature of nationalism makes it difficult to provide a stable unit of comparison over-time. For a historically substantive analysis of nationalism in the *longue durée* one must be prepared to accept that nationalist sentiments and consciousness arousing at one period or region may not be expressed in another period's or region's nationalisms (Armstrong, 1982, p. 10). For instance, it will be in vain for a scholar of 16th century nationalism to seek linguistic links within the "nations" he or she is studying because the creation of linguistically linked national communities is mostly a product of the 19th century. Yet a scholar of 20th century nationalism also knows very well that it is very common to have nationalist movements in countries where the national language is no longer used (e.g. Gaelic language of the Scottish movement). Or nationalist movements in settler colonies during the late 18th and early 19th centuries reveal that nationalism does not require any linguistic criteria at

all. Ideological components of nationalist movements in the early 19th century will be completely different from those of the early 20th century.

In order not to provide a uniform theory of nationalism, it is extremely critical to recognize that in different times and regions, nationalism can take different forms. It can take a variety of cultural forms (ethnic, religious, linguistic based). It can be:

democratic or authoritarian, forward-looking or backward-looking, socialist or reactionary. As a conceptual tool, it often strikes the historian or political thinker as impossibly fuzzy: threatening to merge into patriotism or national consciousness at the one end and fascism and anti-individualism at the other (Kamenka, 1976, p. 3).

These problems put two additional tasks for our inquiry: First we must recognize the changing nature of nations and nationalist movements; and must conceptualize them - if I may quote from Marcel Mauss - as "recent things, far from having completed their evolution" (Casanova P. , 2011, p. 132). But we cannot simply take any movement at our will and designate a nationalist character to it using this "fuzzy" nature. There must be something in common in all of these "nationalist" movements, for the definition to make sense. Thus in order to understand the condition of the nationalist movements of our age, we must have a guide, at least a partial theory, to tell us how nations and nationalist movements might transform across time. This is the third challenge we need to face.

Role of Ideas and Ideologies

Finally there is the argument related to the change in dominant ideas and ideologies. Kohn and Carr after the Second World War predicted a decline in nationalist movements because of the disastrous effects of nationalism during the two world wars. Hans Kohn argued that nationalist conflicts (between states and within states) could only decline if liberal ideology, which emphasizes tolerance, spreads. Thus he did not expect

a decline in "Eastern nationalisms" until liberalism was triumphant. After the collapse of the USSR, Fukuyama declared the end of nationalism together with the end of history because liberal democracies became the victor. Unfortunately it is not possible to dismiss these perspectives merely by saying that they overemphasize the importance of "ideas" and "ideologies". If we are talking about the history of nationalism, we must admit that ideas and ideologies play a very critical part.

Carleton Hayes (1931) explained the historical evolution of nationalism in terms of evolution of different ideological strands. In his *The Historical Evolution of Modern Nationalism*, Hayes established a typology of six different nationalisms, all of which were dominant at a particular period in time and influenced by a particular group of ideologists, as illustrated in Table I-2. Similar to the model provided in Table I-1, Hayes' model describes nationalism in transformation from "libertarianism to enhancement of national egoism" (Snyder, 1976, p. 28), in other words from "good nationalisms" to "bad nationalisms". However Hayes' model incorporates the importance of ideas at the center of his analysis. For him, it is the diffusion of ideas of Herder, Rousseau, Robespierre or Maurras that changes the character of an historical epoch.

Table I-2: Hayes' Six Types of Nationalism

Type of Nationalism	Time Period	Ideologists	Nature of Nationalism
Humanitarian Nationalism	18 th Century Enlightenment (1700-1792)	Bolingbroke, Rousseau and Herder	Motivated by tolerance and regard for the rights of others.
Jacobin Nationalism	Late 18 th , Early 19 th Century (1792-1799)	Robespierre	A strand of Humanitarian nationalism developed during the French Revolution. Jacobin nationalists, intolerant of opposition of any kind, relied upon force to achieve their ends.
Traditional Nationalism	First half of the 19 th century.	Burke, Schlegel and Ambrose	Aristocratic form of nationalism which argues that the quiet happiness of humanity could be assured less by the masses than by the classes. Opposed to "revolution" and "reason" as motivating factors, traditional nationalism turned to

			“history” and “tradition”.
Liberal Nationalism	Mid 19 th Century	Bentham	Advocates the absolute sovereignty of the state with an emphasis on the principle of “individual liberty”.
Economic Protectionist Nationalism	Third Quarter of the 19 th century	List	Protectionist and exclusionary nationalism
Integral Nationalism	Late 19 th and Early 20 th century.	Maurras	As rivalries sharpened among states, nationalism assumed a form decidedly hostile to humanitarianism and liberalism. This form of nationalism was dedicated to the exclusive pursuit of national policies, the absolute maintenance of national integrity and the constant increase of national power. The nation becomes an end in itself. This is the forerunner of Fascism.

Source: Compiled from Hayes (1931), Smith (1971), Snyder (1976, pp. 27-29)

The problem in these sorts of descriptions is not an overemphasis on ideas and ideologies. The problem is that these studies explain the changes in the trajectory of nationalism through a change in the emerging “ideas” without providing an explanation to why certain ideas emerge in certain times and places and why some do not. Thus these studies do nothing but “exogenize” the source of change. Ideas are treated independent of the historical developments and are seen as products of philosophers or key personalities which created or changed the nationalist discourse of different eras (Kedourie, 1994; Kohn H. , 1956; Hayes, 1931). The implicit assumption of these explanations is that if those ideas were absent, we would not see a change in the nature of nationalisms. Ideas and ideologies of nationalisms are, of course, not unimportant, but they should be treated carefully. As Tom Nairn underlines:

what nationalists say about themselves and their movements must, of course, be given due weight. But it is fatal to treat such self-consciousness other than extremely cautiously. The subjectivity of nationalism must itself be approached with the utmost effort of objectivity. It should be treated as a psychoanalyst does the outpourings of a patient (Nairn, 1977, p. 93).

Ideas and ideologies are critical for understanding the historical trajectory and transformation of nationalism. However not all ideas or ideologies can affect history at all times. There are periods of history in which it is much easier to intervene in the

existing historical trajectory, and there are periods in which it is much more difficult. Thus in order to explain the historical trajectory of nationalism and nationalist movements, we must take the interaction between changes in the "structural forces" and changes in the "ideas and ideologies" seriously.

In the next chapter, we will provide a basic conceptual/theoretical framework which will help us to understand the main dynamics of the historical trajectory of nationalism across time - a framework which takes these four challenges into consideration.

II. CONCEPTS, THEORY AND METHOD

Taking into consideration the four challenges we underlined in the previous chapter, below we will explain the conceptual-theoretical framework and methodological premises of this study. First we will introduce our conceptualization of nationalism, which distinguishes between "state-seeking nationalism" and "state-led nationalism". We will discuss how these two forms of nationalism are related to each other and how they are different from "patriotism". Secondly, we will reconstruct a macro-structural theoretical framework which explains how these two forms of nationalism are affected by changes in the economic and political structure of the world capitalist system in the *longue durée* and put forward a set of hypotheses. In the third part, we will explain the main methodological premises and comparative strategy of this study.

Towards a Dialectical Conceptualization of Nationalism

One of the confusions in the literature is that the term nationalism is being used to define two opposite, even antithetical, movements. Attempts of an existing state to establish a nation for itself or to maintain the loyalty of its subjects through nationalism is theoretically and conceptually different from attempts of a group of people to establish a new state for themselves. Many scholars distinguished these two types of nationalism from each other but not necessarily in a dialectical manner. Symmons-Symonolewicz (1965) decided to call these two types "nationalism of majorities" and "nationalism of minorities" respectively based on who has control over political power:

Although all forms of nationalism have undoubtedly certain characteristics in common, they could be logically divided into two distinct categories: 1) nationalism of majorities which hold political power in their respective realms, and 2) nationalism of the subject peoples which strive for political and cultural emancipation. This last category includes genuine minorities as well as political minorities, i.e., groups which may constitute majorities in their respective territories, but may find themselves in a position of minorities with respect to the states to which they belong. The dynamics of development of nationalism as an individual as well as social phenomenon is different in each case (Symmons-Symonolewicz, 1965, p. 221).

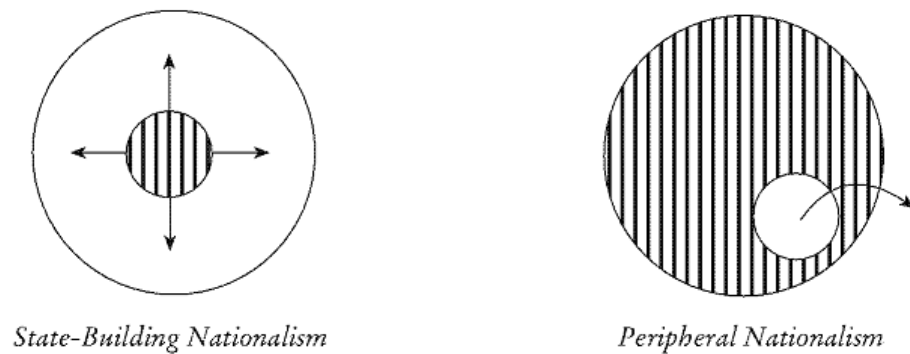
Likewise, Miroslav Hroch (2000) distinguished "ruling nations" (a.k.a "great nations") from "subject nations" (a.k.a "small nations"). At the core of Hroch's distinction also lies the control over political power. If people were being ruled by their own ruling class they belonged to the ruling nation; if their ruling class was foreign they were a "subject", thus, "small" nation. Anthony D. Smith (1971, pp. 223-238) distinguished between these two movements as post-independence movements and pre-independence movements, which were categorized with reference to attainment of *de facto* sovereignty. His distinction emphasized that when successful, pre-independence movements turned into post-independence movements.

These two movements were also two of the four types of nationalism Michael Hechter (2001) describes. Hechter distinguishes "conscious efforts of central rulers to make multicultural population culturally homogeneous" from "resistance of a distinctive territory into an expanding state or attempts to secede and set up its own government" (2001, pp. 15-17). For him the former type is "state-building nationalism" and the latter is "peripheral nationalism"¹. Of course these typologies and distinctions are not identical with each other. They are made with different concerns in mind but they all shed light into different parts of the two opposite movements we would like to describe. What is

¹ The other two types of nationalism Hechter identifies are "unificationist nationalism" and "irredentist nationalism". "Patriotism" as he underlines "cannot be considered as nationalism at all".

important for our conceptual framework is the relationship between these movements and the state to which they belong.

Figure II-1: Hechter's State-Building vs. Peripheral Nationalism Types



Source: Hechter (2001, p. 16)

Following Charles Tilly (1994), I will call these two distinct types of nationalism as *state-seeking nationalism* and *state-led nationalism*. Tilly distinguishes these two types very succinctly.

What [is] state-led nationalism? Rulers who spoke in a nation's name successfully demanded that citizens identify themselves with that nation and subordinate other interests to those of the state. What of state-seeking nationalism? Representatives of some population that currently did not have collective control of a state claimed an autonomous political status, or even a separate state (Tilly, 1994, p. 133).

To understand how these two movements are interrelated we have to look into some of their characteristics more closely.

State-Seeking Nationalism

State-seeking nationalism, is by definition a "pre-independence" movement of a group which does not have a state of its own. Max Weber (1946) described the "political" character of state-seeking nationalisms in a clear way:

In so far as there is at all a common object lying behind the obviously ambiguous term 'nation', it is apparently located in the field of politics. One might well define the concept of nation in the following way: a nation is a community of sentiment

which would adequately manifest itself in a state of its own; hence, a nation is a community which normally tends to produce a state of its own (Weber, 1946, p. 172).

Weber's definition rejects any sort of primordialist definitions which attempt to define nations in relation to an objective criterion such as language, ethnicity, religion, sociobiology, common psychology or myths. The distinctive feature, here, is the "demand for independence". According to this definition, communities which do not seek to secede and establish independent states cannot be seen as "nations" regardless of their size, linguistic, cultural, historical and ethnic distinctions. And if a movement demands independence, regardless of their internal-commonalities or distinctions with other communities, they must be considered a "nation".

We do not deny that *ethnie* or ethnic-based bonds can be an important source of state-seeking nationalist movements. But these features are neither necessary nor sufficient for people to be classified as a nation. If we need to use an analogy, our conception of the relationship between these socio-biological groups (or other collective identities) and nations is analogous to the relationship between "money" and "capital" in Marxist analysis. After explaining the historical evolution of money, in Volume 1 of *Capital*, Marx ([1867] 1992, pp. 145-153) underlines that although they appear identical, capital and money are two completely different concepts. Money that is put into circulation to buy commodities is *not* capital. It only becomes capital when it is used for a specific purpose: to produce more money. And simply by looking at their objective properties (its shape, its smell or its weight) you cannot distinguish money from capital. They are only distinguishable in terms of their role in the sphere of circulation.

Similar to money, ethnicity is a historically evolved phenomenon. Scholars such as Clifford Geertz (1994), John A. Armstrong (1982), Paul Brass (1979; 1991) contributed to the literature by examining the emergence and development of various sorts of primordial/historical collective identities. However, similar to the transformation of money into capital, it is only when these various collective identities demand a state of their own they transform themselves into nations. Thus the relationship between states and peoples is the key to understanding the puzzles related to nationalism. When a group of people demand to establish another state of their own, they establish themselves as a nation. In studies of labor movements, there are scholars who conceptualize collective action as a moment of class formation (Katznelson & Zolberg, 1986). Same idea can be applied to state-seeking nationalist movements. It is the "state-seeking movement" which creates the "nation" not *vice versa*.

This definition, however, creates a serious complexity. Because state-seeking nations do not necessary have a single objective base and may originate only as political movements, their boundaries cannot be fixed and they cannot be demarcated clearly. According to this definition, members of the state-seeking nation are those who are mobilized by political demands of independence. As a consequence, the size and composition of this membership is subject to change over time. Miroslav Hroch (2000), for instance, analyzed the development of nationalist movements in three successive phases. In Phase A, the nation only exists in the minds of the intelligentsia as a project. In Phase B, nationalist organizations of various kinds start nationalist agitation for autonomy or independence. And Phase C is the period of mass mobilization. As a nationalist movement progresses from Phase A to Phase C, people who will be mobilized

will increase in size and strength. Although Hroch provided these phases to analyze state-seeking movements in Eastern Europe, we can utilize it as a conceptual tool to understand some of the features of state-seeking nationalist movements.

A historical analysis of state-seeking independence movements reveals that, unlike Hroch's description, not all state-seeking movements progress from Phase A to Phase C in a linear fashion. If any movement in Phase C fails to establish a state of its own, it may cease to exist as a nationalist movement. It may remain as a Phase A movement in the minds of romantic intellectuals. If a nationalist organization starts nationalist agitation, it can restart its Phase B again. It is very likely that state-seeking nationalist movements move back and forth between Phase A and Phase C in the course of their history. Various state-seeking organizations can remain stuck in Phase B as well if they fail to mobilize their population for their cause. These Phase B movements may cease to exist before they become Phase C if they are suppressed or co-opted. Or new nations can emerge or be invented in the minds of "political entrepreneurs" and new Phase A movements can start. Of course, none of these transitions can occur merely at will. These transitions are constrained by other objective and structural factors that are also behind the control of these movements.

State-Led Nationalism

State-led nationalism is the movement of rulers of a particular state to establish a "nation" of their own. States in the modern world aim at converting their subjects into a single collective group. This is also a political movement but of a different kind and with a different purpose. The most explicit and universal purpose of state-led nationalism is to

keep the subject populations loyal to the state and mobilize them for production, protection and/or other administration related tasks (Tilly, 1994; Mann, 1986). Of course, states' attempts to mobilize and secure the loyalty of subjects are not a recent phenomenon. These functions have existed since the birth of states. What is recent, however, is that starting with the early 16th century, states started to use policies of centralization to achieve their purposes (Calhoun, 1997; Tilly, 1994; Gellner, 1983; Hechter, 2001).

The 'modernity' of the states which grew in Europe especially during and after the era of absolutist monarchies was based primarily on their enhanced administrative capacity, their unification of territories under single administrative centers, their replacement of older forms of 'indirect rule' (from tax farming to simply delegating authority to feudal nobilities) with an increasingly direct control of and intervention into their disparate territories and populations, their reliance on popular political participation, their capacity to mobilize citizens for warfare, and their assertion of clear boundaries rather than frontiers (Calhoun, 1997, p. 66).

In order to mobilize their populations, contemporary states do not merely use force. If I may use Antonio Gramsci's (1971) concepts, in order to mobilize their subjects states have to establish their hegemony on their subjects through a combination of force and consent. Michael Hechter's *Containing Nationalism* can also be read from this Gramscian perspective. In *Containing Nationalism*, Hechter (2001, pp. 18-19) argues that if rulers do not want to grant the wish of (state-seeking) nationalists, they are faced with three options: (1) They can intervene in the nation-formation process by eroding the social base of nations. (2) They can try to reduce the demand for sovereignty by granting the establishment of indirect rule. Or (3) they can raise the costs of collective action. While the application of first and third options requires use of "force", the second option - which is the most important theme in Hechter's analysis - is a good example of use of "consent" to contain state-seeking movements. Hechter's list of options is not exhaustive.

Historically, for instance, these "containment strategies" are occasionally accompanied by an attempt to innovate new state-building strategies as well. Like Schumpeterian entrepreneurs who engage in "creative destruction" of existing markets in the midst of crises, political entrepreneurs can also create new state-building strategies which may change the cultural or social contents of the nation. Creation of new collective activities is an integral part of these state-building strategies.

Creation of a collective identity is a critical component of mobilizing people through consent. It is an invisible power, an invisible force that binds people together. It increases and reproduces loyalty in a more efficient manner. If states succeeded in creating collective identities within their territories, they can mobilize their population without merely relying on brute force. Without use of explicit force, states will increase their legitimacy. All of these factors help rulers to present their particular interests as general interests of the nation. People more easily relate the states' activities with their duties and tasks. This is how rulers gain their intellectual and moral leadership over the people. Based on these observations, we will conceptualize all types of consent production strategies that are utilized by rulers to coordinate and mobilize their people (including the production of collective identities) as an integral part of their "state-building strategies".

There is no rule, however, for how these collective identities can be created. Until now, states have attempted to shape religion, language or ethnicity for these purposes in different time periods. Political entrepreneurs can innovate new strategies which have not existed before, as well. After all, in the 16th century, it was very difficult for statesmen to consider linguistic homogenization but it became the norm in the 19th

century. As Gellner (1983) puts it, "nationalism can invent nations where they do not exist" and nationalism can do this through different tools.

Although state-led nationalist activities attempt to create collective identities to enhance the "consent" side of their hegemonic power, almost always, the creation of collective identities requires the use of brute "force" as well. People do not give up their religions, languages, cultures and habits so easily; and they react. As scholars of nationalism underline, state-led nationalist movements are not always inclusive either. Expelling or exterminating culturally alien populations by central rulers is also a strategy which is often used in the history of state-led nationalism (Hechter, 2001, p. 16; Marx A. W., 2003). The use of state power to create a common collective identity through brute force is analogous to the function of "primitive accumulation" (Marx K. , [1867] 1992) in capitalist development. Although state-led nationalists claim that their national identities existed since ancient history (based on religious sources, natural forces, or their glorious histories), "in actual history it is notorious that conquest, enslavement, robbery [*in this case rape, SSK*], murder, briefly force, play the great part" (Marx K. , [1867] 1992). Similar to capitalism which hides the brutal history of how its original accumulation started in the first place, state-led nationalism hides the history of the origins of their nation. That is why, as Ernest Renan put it:

Forgetting, I would even go so far as to say historical error, is a crucial factor in the creation of a nation, which is why progress in historical studies often constitutes a danger for [the principle of] nationality. Indeed, historical enquiry brings to light deeds of violence which took place at the origin of all political formations, even of those whose consequences have been altogether beneficial. Unity is always effected by means of brutality (Renan, [1882] 1996).

Relationships Between The Two Types of Nationalism

State-seeking and state-led nationalist movements are not only two opposite movements with different characteristics, but they also tend to create each other. In his *Containing Nationalism* Hechter (2001, p. 17) underlines how peripheral (state-seeking) nationalism is spurred by the very efforts at state-building nationalism. He is right. In most cases state-seeking nationalist movements are triggered by state-led nationalist activities. In the Habsburg Empire, for instance, Magyar (state-seeking) nationalism was born as a reaction to the centralization efforts of Emperor Joseph II, who “attempted to make German the official language of government throughout the empire”.

It was the natural choice if there was to be one official language, as the rational principle of efficient government suggested there should. Naturally it was resented by Magyar speakers, who regarded it both as an affront and as a measure which put them at a disadvantage in relation to native speakers of German. This led them to lay greater emphasis upon the Magyar language (Breuilly, 1982, p. 95).

The history of nationalism is full of examples of how state-led nationalisms triggered state-seeking nationalisms within the same territory. Gellner's research (1983), for instance, focuses on the problem of cultural barriers against the high culture. Industrial society pushes states to create "high-cultures" (state-led nationalism) and this often creates a reaction (state-seeking nationalism). Likewise, as Lachmann underlines in his *States and Power*, nationalist movements in the American continent (state-seeking nationalism) "were sparked by Spain's late eighteenth century efforts to increase control over American elites (state-led nationalism), not by Spain's two-centuries-old military weakness" (Lachmann, 2010, p. 51). Because of this opposition, it is very likely that the state-building strategy utilized by rulers will determine the *form* of state-seeking nationalist reactions. State-building strategies which use language as a means for

homogenization are likely to create state-seeking movements that organize around language; strategies which use religion as a means of creating collective identity are more likely to create state-seeking activities that are mobilized around religious grievances.

But a movement in the opposite direction also exists. Emergence of strong state-seeking activities may also push states to use new types of state-building strategies. State-seeking movements within the territories of the Ottoman Empire during 19th century can be used as an example for how this happens. It was the Ottoman centralization policies which triggered various state-seeking activities in the early 19th century. However when the Ottoman *millets* engaged in state-seeking activities, the Ottoman state tried to use a combination of Hechter's containment policies (including granting indirect rule in Serbia and increasing the cost of collective action in Anatolia) and tried different state-building strategies to keep their populations loyal. What is known in Ottoman/Turkish history as *Uc Tarz-i Siyaset* (Ottomanism, Islamism and Turkism) were three different state-building strategies that Ottoman rulers used (Kayali, 1997; Parla, 1985; Akçura, [1904] 2008). Each attempt corresponded to different strategies through which Ottoman rulers tried to mobilize their subjects. Successive failures in the strategies led Ottoman rulers to shift from one state-building strategy to another.

There is another important relationship between state-seeking nationalism and state-led nationalism. If state-seeking nationalist movements become successful, they transform into the opposite type and become state-led nationalist movements. At the first meeting of the parliament of the newly united Italian Kingdom, Massimo d'Azeglio made his famous statement: "We have made Italy, now we need to make the Italians" (Hobsbawm, 1992, p. 44). D'Azeglio's statement is useful to show that when state-

seeking nationalisms succeed, in other terms when they establish a state of their own, they have to transform themselves into the opposite movement. This transformation seems meaningless at first sight. After all, if a state will need to create a nation for itself afterwards, it becomes legitimate to ask "who created this state in the first place?". Historically, this seemingly absurd transformation is not an exception, but almost a rule.

It happens because of a contradiction that emerges during the "metamorphosis" from state-seeking nationalist to state-led nationalist movements. As we discussed, as a political movement, state-seeking nationalism does not have clearly demarcated boundaries. But state-led nationalist movements have a state and a well defined territory of their own. Thus when state-seeking nationalist movements succeed in creating a state of their own, this new state will rule not only those who voluntarily became a part of the state-seeking nation but also everyone else living in that territory. Thus rulers of this new nation have to pursue state-led nationalist activities to establish their hegemony over other people living in these territories as well. One of the consequences of this metamorphosis is the possible emergence of new "national problems" after independence. Talking about the condition of national problems in Eastern Europe in the 20th century, for instance Kohn (1956) discerned this contradiction:

The "liberation" of many nationalities in the twentieth century did not strengthen the trend to peace and liberty. Nationalities which had demanded release from oppression often became oppressors themselves. Innumerable disputes about historical and natural frontiers sprang up. Long established security systems disintegrated before new foundations of peace were laid on solid ground. Some new and enlarged states – Poland, Czechoslovakia, Italy, Yugoslavia and Romania – contained embittered minorities (Kohn H. , 1956, p. 82).

As we investigate the history of this transformation, we will show that this pattern is more common than Kohn suggests.

Patriotism vs. Nationalism

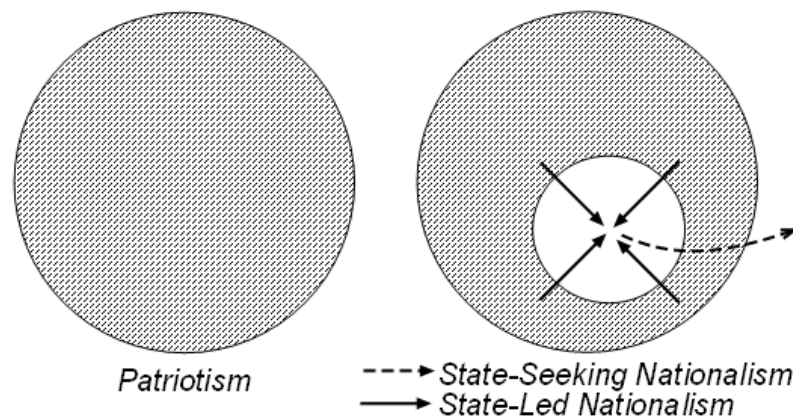
As our framework illustrates, nationalism only occurs if states need to create nations (state-led nationalism) or if nations need to establish their own states (state-seeking nationalism). In short, nationalism occurs when there is a misfit between states and nations. Or if we put this phrase in its more renowned form, nationalism occurs only when there is a misfit between the "political (governance) unit" and "national unit" (Gellner, 1983, p. 1; Hechter, 2001). If there is a continuous overlap between these two units, there will be no need for either state-led movements or state-seeking movements.

Following Hechter we will define this rare condition as "patriotism". We agree that:

Patriotism is no form of nationalism at all, for here the boundaries of the nation and governance unit are already congruent. This limitation is not, however, very damaging. Since few states, if any, qualify as nation states, patriotism (as defined in this book) hardly exists. Most of what passes as patriotism in common parlance implicitly advances the interests of one nation at the expense of others in multinational states. In the present framework, such activities are instances of state-building nationalism (Hechter, 2001, p. 17).

If we do not recognize any *a priori* objective criteria for the national unit - as we intend to do in this study - patriotism would only exist in states whose populations came together by voluntary union and whose right to secede is recognized. For any state which attempts to protect its territorial integrity, then, conditions for patriotism does not exist. For these reasons, in our conceptualization, patriotism is also a very rare phenomenon.

Figure II-2: Illustration of Patriotism vs Nationalism



Source: Hechter (2001, p. 16), compare with state-building and peripheral nationalisms in Figure II-1

If we leave this very rare event aside, we will realize that according to our definition there is a constant tension between state-seeking and state-led nationalist sentiments. Then, why do not we see state-seeking movements all the time? This is because in most cases, states that have a monopoly of the means of violence and access to greater financial and other types of resources have the upper hand in this struggle. States can suppress existing movements, intervene with their nation-formation processes, grant them indirect rule or co-opt them by providing greater opportunities and resources. However, all of these activities require the use of violence, use of financial sources, or concessions from central rule. And if state-led nationalist attempts fail they may intensify existing grievances of their population.

Of course, people who feel themselves to be members of a subject nation also react against these state-led policies. They organize and mobilize their resources for struggle against their rulers (Tilly, 1978). When they have access to means of violence and financial resources, they can also be equally effective. That is why, state-seeking movements which are supported by another state (e.g. irredentist movements) are relatively more likely to be successful than other state-seeking nationalist movements

(Hechter, 2001). When lacking these sources state-seeking movements can still rely on their organizational capacity. All sorts of economic, social, and political grievances can be utilized by nationalist organizations to mobilize people and move their movements from Phase B to Phase C. This transition does not merely depend on their activities but also on the people's grievances, problems and attitudes toward their rulers. For these reasons, political, financial and social crises create "opportunity structures" (McAdam, McCarthy, & Zald, 1996, p. 10) for nationalist organizations to mobilize people and to move their state-seeking movements to Phase C.

In our conceptual framework, we do not discuss nationalist problems in terms of rights. If the nationalism principle holds that the "national unit and political (governance) unit should be congruent", each side of the struggle has its own right. States have the right to protect their own territorial integrity and homogenize the population. Oppressed nations have the right to self-determination, to establish their own state. Thus the nationalism principle does nothing but create an antinomy between two rights. And almost as a historical rule, "between equal rights force decides."

Macro-Structural Factors that Affect Nationalist Movements

Considering that in each instance of nationalist struggle, different groups have different grievances, different reasons why they demand a state, different geographical, economic and financial conditions, different political structures, different organizational powers, different ideologies and resources, it can be argued that it is a useless quest to look for any meaningful pattern in the trajectory of nationalist movements in the *longue*

durée. It would definitely be in vain if all of these struggles *were* completely independent of each other. But they are not.

These seemingly independent events are linked because they are part of a historically evolving world system (Arrighi & Silver, 1999; Wallerstein, 2004; Silver B. J., 2003; Wolf E. R., 1997). Modern states operate in an inter-state system and their economies are part of a world capitalist system. Thus changes in the dynamics of the inter-state relationships and of historical capitalism affect states' abilities to contain their populaces as well as state-seeking movements' capacities to mobilize their people. That's why the fate of nationalist struggles are not merely determined by the capacities and resources of nationalist organizations and government agencies. Changing dynamics of the inter-state system, rivalries among great powers, periods of global economic expansions and contractions, emergence of large scale social, political and economic crises are also parts of this story. If we examine the changes in the global (social, political and economic) atmosphere overtime, we can find periods that would be more or less favorable for state-seeking (or state-led) nationalist movements. In one way our perspective is similar to Boswell and Chase-Dunn's description of patterns of revolutionary clusters in modern world-system.

In principle, people can make a revolution at any time the conditions demand it and the political situation allows it. Societal revolutions are scattered throughout time and space in world history, but within that scatter are clusters whose size, breadth, and effects are far greater in importance than others. These revolutionary clusters make a pattern that is not entirely contingent on particular historical conjunctures. These have a rough proximity to world-systemic cycles (Boswell & Chase-Dunn, 2000, p. 55).

Likewise, state-seeking movements can mobilize masses any time the conditions demand it and the political situations allow it. However, there are periods in world history which provide structural opportunities (or structural obstacles) to state-seeking

movements (or to state-led nationalist movements), which establish a macro-pattern which is not entirely contingent on particular historical conjunctures.

Let us be clear: we do *not* argue these macro-structural processes and mechanisms *create* nations, nationalist sentiments or nationalist movements in one way or another. They provide contexts or environments under which state-seeking mobilization is more or less feasible. In one way, our understanding of these macro-structural processes and dynamics resemble the role of "heat" in Mao Zedong's ([1937] 2009) analogy of "egg, stone and chicken". In "On Contradiction", in order to explain the relationship between external and internal causes of change, Mao argued that external causes must be seen as "the condition of change" and internal causes must be seen as "the basis of change". Hence, external causes can only become operative through these internal causes. "Only in a suitable temperature", Mao explained, "an egg can change into a chicken". Hence the level of "heat" as an external condition was critical in the transformation of egg into a chicken. "But no temperature can change a stone into a chicken, because each has a different basis" (Mao, [1937] 2009, p. 49).

If we use Mao's analogy, in this study, we will not focus on the "internal causes" of "nationalism" but the "external" ones. To put it differently, we will not study how and why egg transforms into a chicken (how and why state-seeking movements emerge) but when and where "the temperature" becomes suitable for this transformation (when and where we expect to see rise of state-seeking movements). Because we conceptualize the struggle between state-led nationalism and state-seeking nationalist movements as an ongoing one, we expect the changes in the "temperature" to have a rough proximity to the changes in the frequency and strength of state-seeking movements in world history.

At the core of our conceptual-theoretical framework lies Giovanni Arrighi's notion of systemic cycles of accumulation and hegemonic transitions. By investigating various properties of Arrighi's systemic cycles of accumulation and hegemonic transitions, we will put forward a number of hypotheses regarding how these macro-structural processes might affect the ongoing struggle between state-led nationalism and state-seeking nationalist movements in the world. This will be the basis of our provisional structural theory.

Systemic Cycles of Accumulation and Hegemonic Transitions

Giovanni Arrighi developed the concept of systemic cycles of accumulation (SCA) to explain the development and transformation of capitalism over the last 600 years. In his *The Long Twentieth Century*, Arrighi (1994) analyzed the history of capitalism in terms of four successive and partially overlapping systemic cycles of accumulation, each of which corresponds to a "long century".

Borrowing Braudel's historical observations regarding different processes of financialization in history and Marx's dialectical investigation of the relationship between circuits of commodity exchange (C—M—C) and capital accumulation (M—C—M'), Arrighi (1994) conceptualized each SCA as a dialectical unity of a long period of material expansion (C—M—C circuit) and a period of financial expansion (M—M' circuit). During material expansion periods of the global economy capital flows into productive activities, and profits are gained mainly through production and trade. However this growth has its limits. Soon profits from the material expansion starts to decline either through a fall in the rate of profit under increasing competition or through a

crisis of over-accumulation. When profits can no longer be gained by material expansion, a process of financial expansion takes place. In these periods, capitalists change strategies such that profits are mostly gained through financial speculation and intermediation; inter-enterprise competition increases; and a major restructuring in the configuration of global capitalism takes place. According to Arrighi, historical capitalism had four systemic cycles of accumulations so far:

A phase of material expansion followed by a financial expansion constitutes what we have called a long century, or a systemic cycle of accumulation (SCA). We can identify four (partially overlapping) long centuries, or SCAs: (1) a Genoese-Iberian cycle, stretching from the fifteenth through the early seventeenth centuries; (2) a Dutch cycle, stretching from the late sixteenth through the late eighteenth centuries; (3) a British cycle, stretching from the mid-eighteenth through the early twentieth centuries; and (4) a US cycle, stretching from the late nineteenth century to the present. Each cycle is named after (and defined by) the complex of governmental and business agencies that led the world capitalist system toward the material and financial expansions that jointly constitute the long century (Silver & Arrighi, 2011, p. 55).

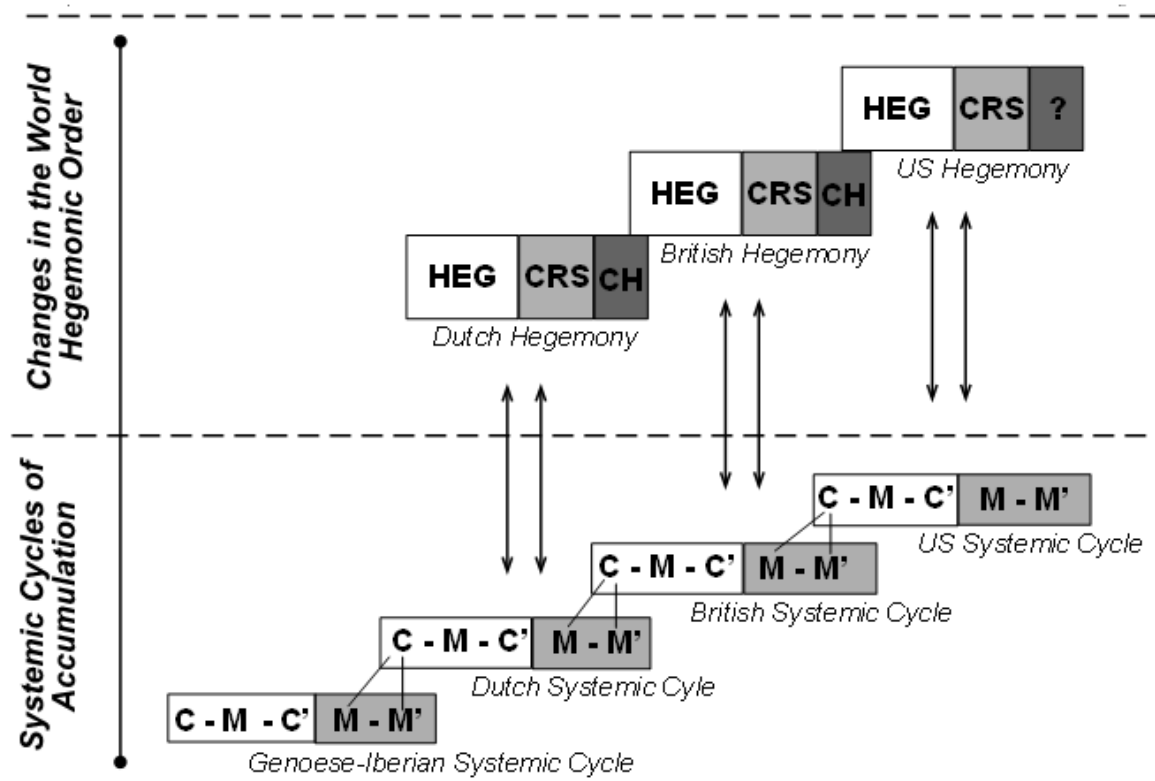
Arrighi's theory about systemic cycles of accumulation is fundamentally linked to his theory regarding the transformation of world hegemonic order. Investigating the last three long centuries in a comparative perspective, Arrighi showed how world hegemonic order changed across these systemic cycles of accumulation (Arrighi, 1994; Arrighi & Silver, 1999; Silver & Arrighi, 2011). In his terminology the term "hegemony" does not mean domination. The term is inspired by Antonio Gramsci's idea that

the supremacy of a social group manifests itself in two ways, as "domination" and as "intellectual and moral leadership." A social group dominates antagonistic groups, which it tends to "liquidate" or to "subjugate" perhaps by armed force; it leads kindred or allied groups (Gramsci, 1971, pp. 57-58; Arrighi & Silver, 1999, p. 26).

Adapting Gramsci's concept of "hegemony" to an international context, Arrighi argued that historically, government and business agencies that started systemic cycle of accumulations (Dutch, British and US) also temporarily gained the "intellectual and moral leadership" of other government and business agencies by providing solutions to

existing political and economic crises of the world, starting a new phase of system-wide material expansion of trade and production, and bringing a new order out of chaos. (Arrighi, 1994; Arrighi & Silver, 1999, pp. 26-27) Indeed, this process of gaining (intellectual and moral) leadership was key in their rise to global political and economic preeminence. These states became hegemonic powers because not only they increased their state power and capacity *vis-a-vis* other states to a great extent but also they transformed the trajectory of capitalism, which led other states to emulate their particular path of development.

Figure II-3: Illustration of Arrighi's Model



Source: Author's reconstruction. Heg=Hegemonic Consolidation, Crs=Hegemonic Crisis, Ch=Chaos.

Figure II-3 shows our reconstruction of the relationship between SCAs and the hegemonic (dis)order of the world capitalist economy, according to Arrighi's model. Although they are conceptually different matters, periods of hegemonic consolidation

periods broadly overlaps with periods of material expansion (C—M—C'); and periods of hegemonic crisis broadly overlaps with periods of financial expansion (M—M'). These overlapping periods reinforce each other through virtuous and vicious cycles. Benefits of material expansion reinforce hegemonic consolidation, and in return hegemony reinforces material expansion. Hence these periods are characterized by a virtuous cycle. Likewise, financial expansion deepens hegemonic crisis and hegemonic crisis reinforces financialization establishing a vicious cycle.

As illustrated by our reconstruction, periods of "chaos"², however, have a dual nature. On the one hand it overlaps with a later and more radical phase of financialization, on the other hand it contains the seeds of a new material expansion period. This is an important theme in Arrighi's theory. Following Braudel, Arrighi underlines that periods of financial expansions must be seen as signs of a decline of the existing hegemonic power. Although immense profits could be made through financial speculation, this is the "autumn" of the hegemonic power, not the "spring". But financial expansion at one location also leads to the burgeoning of a new cycle of material expansion at another. If the complex of government and business agencies in these new locations of material expansion can provide a solution to existing social, political and economic crises, they may establish a new hegemonic order out of chaos. Thus a new leadership, a new capitalist reconfiguration and new *long century* concurrently emerges.

In *Chaos and Governance* Arrighi, Silver and their colleagues examined various aspects of periods of hegemonic consolidation and periods hegemonic transition (the

² In *Chaos and Governance*, Arrighi and Silver (1999) name this period "hegemonic breakdown".

whole period from the start of the hegemonic "crisis" to the end of "chaos") by comparing the Dutch, the British and the US hegemonies. Arrighi and Silver (1999) observed that each hegemonic transition period have been characterized by intensification of great power rivalries, escalation of social, economic and political crises, radical increase in social inequality, escalation of social and political conflicts and disintegration of old hegemonic blocs. While periods of hegemony have been characterized by a virtuous cycle in which social peace, international order and material expansions in trade and production reinforce one another; periods of hegemonic transitions a vicious cycle in these dynamics take place.

Although our representation above is very structural, the key component of Arrighi's model - and its distinction from Wallerstein's and other world-systems models - is the notion of transformation. Unlike many structuralist interpretations of the history of capitalism, Arrighi's model does not describe a capitalist world system that reproduces itself over and over again. On the contrary, it is the transformation across the systemic cycles of accumulation that defines historical capitalism. In Arrighi's scheme, periods of hegemonic transitions led to an intensification in inter-enterprise and inter-state rivalries, system-wide economic and political crises, social and political conflicts, in which the existing political-economic system could not be preserved through traditional means. This fact pushes a new rising hegemonic power to innovate a new configuration for capitalist operations. Or to put it more directly, those who can innovate a new configuration for global capitalism and solve the crisis of the earlier regime will become the hegemonic power.

With these basic building blocks, we will now try to construct a provisional macro-structural theory which explains how state-seeking movements, state-led nationalist movements and the struggle between these two forms are affected by these transformations in the world capitalist system.

From Systemic Cycles of Accumulation to Cyclical Waves of Nationalism

Making and Unmaking of Social and Political Compacts

We argue that the periods of material expansion provide ruling classes with various resources to ensure loyalty, to consolidate, coordinate and mobilize their populations. These periods are associated with increasing ability for state elites and rulers to establish their “hegemony” over their populations by increasing the wealth and welfare of their populations, by providing public goods, by co-opting rising groups, marginal segments of society and oppositional movements. Under conditions to increasing prosperity³, state-seeking nationalist movements will have more difficulties in mobilizing people. Thus in a nutshell, periods of material expansion increase the ruling classes’ ability to “contain” state-seeking movements and to gain loyalty of their subjects through economic means. In their long historical analysis, Silver and Slater (1999) analyzed how

³ The relationship between productive activities and an increase in the population’s wealth in Arrighi’s C—M—C’ circuit may look counter-intuitive at first sight. The theoretical basis of this argument comes from an interpretation of *Capital*. As Marx ([1867] 1992, pp. 296-304) underlines in his analysis of *relative surplus value*, increasing rates of exploitation do not necessarily decrease the income of laborers. On the contrary, increasing productivity in sectors producing subsistence goods for laborers for instance, may reduce the cost of reproduction of labor power, provide capitalists an additional surplus without changing the normal length of the working day. Thus until the coercive laws of competition reverses the trend, temporarily, capitalists may give a portion of this surplus back to the laborers, which might, in turn, increase the wages to a point above the value of their labor power. Under these circumstances we have an increase both in the rate of exploitation and in the relative income of the laborers. This increase in relative surplus value at the point of production, will also expand to the sphere of circulation (trade relations) and temporarily start a virtuous cycle.

periods of material expansion can bring social conflict under control by establishing "social compacts" and new "historical compromises":

[S]ystemwide expansions in trade and production that have characterized each period of hegemony have been based on social compacts between dominant and subordinate groups. Periods of hegemony have been characterized by a "virtuous cycle" in which social peace and material expansions in trade and production reinforce one another. [...] The consolidation of hegemony presupposed the establishment of new "historical compromises" capable of bringing social conflict under control (Silver & Slater, 1999, pp. 151-152).

This idea can fruitfully be utilized for analyzing nationalism as well. System-wide material expansion in trade and production during periods of hegemony provide structural opportunities for rulers to reduce subject nations' need for separate statehood. Part of this idea can be found in Wimmer's theory (2013, pp. 37-72), which argues that if state elites have more to offer in terms of public good (and political participation), they are more likely to prevent emergence of ethnic (state-seeking) movements. Adapting this argument to a macro-level, we argue that the establishment of Wimmer's "attractive alliances" between state elites and population are more likely during periods of material expansion of trade and production, because state elites have more resources to offer. In the current literature, many scholars who investigate the relationship between the welfare state and territorial politics (Keating, 2001; Mishra, 1999; Moreno & McEwen, 2005; Derluigan, 2013) have implicitly been studying this process under the context of the 20th century material expansion period⁴.

⁴ Ramesh Mishra (1999, p. 12) argues that "the idea of maintaining and consolidating the national community - economically, politically and socially - was the ideological underpinning par excellence of the welfare state". Similarly Moreno and McEwen (2005) underline that welfare states are more likely to increase solidarity across class groups and nation as a whole, contributing to reinforcing the legitimacy of the state in the eyes of its citizens, and reducing state-seeking nationalist tensions by making other nationalities "feel simultaneously Basque and Spanish, Welsh and British, or Flemish and Belgian".

During periods of financial expansion, however, the former trend of rising relative wealth and welfare is replaced by its opposite. Increasing polarization in wealth and welfare among classes and regions becomes apparent. Increasing social and regional inequalities provide structural opportunities for state-seeking movements and nationalist organizations to mobilize masses. Under the pressure of the coercive laws of competition, previously established "social compacts" start to dissolve and states start to deprive subject populations of their privileges, which were made during earlier periods of material expansion. This, in return, unleashes different types of social and political unrest which aims at protecting the privileges and rights gained during the earlier phase of SCA, a movement similar to what Silver (2003, pp. 16-20) calls "Polanyi-type unrest". Economic problems such as control over natural resources, rates of taxation, privatization policies etc. quickly transform into political ones and can give legitimacy to the idea of secession.

Nationalism cannot be deduced to economic relationships but it is important to understand how economic inequalities can be translated into political problems. In his *Internal Colonialism*, Hechter (1975) showed how regional inequalities based on cultural division of labor were related to (state-seeking) nationalist movements. Hechter argued that "the greater the economic inequalities between collectivities, the greater the probability that the less advantaged collectivity will be status solidarity, and hence, will resist political integration" (Hechter, 1975, p. 43). Hechter's analysis in *Internal Colonialism* largely focused at inequalities across *space* - hence "hierarchies" - but this idea can be used for inequalities across *time* as well. During periods of financial expansion social and regional inequalities radically increase, which - in return - creates a

favorable atmosphere for state-seeking movements who try to mobilize people residing in the most disadvantaged regions as well the least disadvantaged regions. Although Hechter's original analysis merely focused at the most disadvantaged collectivities⁵, in times of severe economic crises peoples residing in regions with greater resources are also likely to turn their ears to state-seeking movements who show "secession" as an exit strategy out of the crises.

The *social compacts* underlined mainly a socio-economic dimension of this process but there is a political dimension as well. During periods of hegemonic consolidation and material expansion of trade and production, rulers can establish *political compacts* with representatives of state-seeking groups to create stability in their territories and to contain these state-seeking movements. These *political compacts* can be provisions of certain political privileges, extensions of rights and liberties, or offers of indirect rule or autonomy. Of course there are costs for such offers. Under provision of indirect rule, decentralization or autonomy states will not be able to increase taxes at their will or intervene to political affairs of these regions whenever they want. However in the absence of strong inter-state wars and in the presence of a virtuous cycle of profit-making out of trade and production, states will be able to afford these costs relatively more easily if they have to.

During periods of hegemonic crisis and financial expansion, however, the tables turn. Intensification of social, economic and political crises, inter-state rivalries and wars lead states toward further centralization, which eventually requires the unmaking of the

⁵ See Hechter and Levi (1979) for an extension of their theory, which can also be utilized for explaining nationalist sentiments among more advantaged collectivities.

political compacts that were offered in the previous era. Reduction in rights and liberties escalates grievances and generates reactions. This, in return, provides structural opportunities for state-seeking movements to mobilize. Because state elites and rulers take away an already gained political right, state-seeking organizations more easily mobilize masses against these rulers do not respect their rights and liberties any more.

Haute Finance and the Pendulum of War and Peace

In Arrighi's model, financialization plays the most critical role in the trajectory of historical capitalism. There is a rich literature that sees the interests of the *haute finance* (*high finance*) as one of the key factors which contribute to international (dis)order. However, there is an ongoing, unsettled, debate about the way these financial interests work in regard to the issues of war and peace. In the early 20th century Hobson (1902), Hilferding ([1910] 1981) and Lenin ([1917] 1999) saw finance capital as the driving motor of imperialist wars. Karl Polanyi ([1944] 2001), however, argued that finance capital was primarily interested in preserving the balance of power and protecting the peace. His analysis of the balance of power relationships during "Hundred Years' Peace" made him conclude that *haute finance* tried to preserve peace as long as it could in the 19th century. Although its role was not evident in the first half, where peace was provided by "those who chiefly benefited by it, namely, that cartel of dynasts and feudalists whose patrimonial positions were threatened by the revolutionary wave of patriotism that was sweeping the Continent", especially in the second half of the century, *haute finance* used all means of diplomacy to protect the balance of power and avoid wars among the great powers.

Here we are not going to discuss the details of the debate and arguments of both sides⁶. However, keeping this debate in mind, we will conceptualize the effect of *haute finance* as a pendulum swinging back and forth between protecting the *status quo* (during periods of hegemony) and producing war-making (during hegemonic transition, i.e. periods of chaos). Inspired by Arrighi's analysis of historical capitalism across long centuries, we can say that periods of "hegemony", "crisis" and "chaos" can be seen as periods where the economic system is a "positive sum game", a "zero sum game", and a "negative sum game", respectively.

During periods of hegemonic consolidation, because of the system-wide economic growth and material expansion, economic relationships resemble a positive sum game. In these periods *haute finance* would play a role similar to the one described by Polanyi. It will try to preserve peace and order; it will use diplomacy to solve the problems among great powers. During periods of hegemonic crisis, however, economic relationships turn into a zero-sum game. Rate of profits declines, inter-enterprise rivalries increase and these rivalries lead to an escalation in inter-state rivalries and conflicts. This is a period, when attempts to use state power and wars to accumulate profits increase. Finance capital, which can no longer be used in productive activities, is now used for war-making - among other things - most notably through lending money to states to pay for the expenses by military build-ups and open warfare. Indeed, in these periods, major source of profit-making becomes money-lending to states to pursue their war-making activities. Thus, at this moment, *haute finance* starts to play the role anticipated by

⁶ See Karataşlı and Kumral (Forthcoming) for a discussion of the almost opposite views of Hobson and Polanyi on this theme.

Hobson and Lenin. The escalation of war-making policies contributes to the chaos of the transition periods. In these periods there is a further escalation of imperialist wars, which turns the political-economic environment into a negative-sum game. Once this "irrational" escalation of wars begins to prohibit profit-making activities, *haute finance* does its best to create a new *status quo* and bring peace. It, then, starts to play its Polanyian role again. According to this conceptualization, changes in the world hegemonic order will swing the interests of *haute finance* back and forth between war-making and peace-making activities. This conceptualization is also in line with the level of inter-state rivalry during periods of "hegemonic consolidation", "crisis" and "chaos". During periods of hegemonic consolidation, inter-state rivalry is low. During periods of hegemonic crises inter-state rivalry intensifies (or intensification of inter-state rivalry may trigger hegemonic crises) and during periods of chaos, escalation of inter-state wars comes to a climax⁷.

I expect that this process affects state-seeking activities in a number of ways. When interstate rivalry is low (during periods of hegemonic consolidation and material expansion), rulers will have better opportunities to suppress state-seeking movements. In the absence of external wars and international stability, states can more easily focus on the "enemies inside the gates" and use their means of violence to suppress state-seeking movements when necessary. In these periods, it is more difficult for state-seeking movements to receive external aids from rival states.

⁷ The inter-state wars that occur during financial expansion and hegemonic transition periods are similar to Gilpin's (1981, pp. 199-200) *hegemonic war*, Modelski's (1984, pp. 4-5) *global war*, Wallerstein's (1984, pp. 41-42) *world war*, Midlarsky's (1984) *systemic war* and Levy's (1985) *general war*. See Rasler and Thompson (1994, pp. 200-206) for a comparison of the similarities and differences between these conceptualizations.

During periods of financial expansion and hegemonic transitions, however, together with the escalation of interstate-rivalry and wars, new opportunities for state-seeking movements emerge. Theda Skocpol's (1979) comparative analysis of revolutions shows that wars fought in an empire reduce the established elites' power and capacity to keep social and political conflict under control. Because wars destabilize the existing political environment within each state, they also create new opportunity structures for state-seeking movements to mobilize and challenge the *status quo*. Furthermore, in times of war, state-seeking organizations may receive external support as well. In the midst of the intense inter-imperialist rivalry, imperialist great powers will be more willing to support or instigate state-seeking nationalist movements in the territories of their enemies (Mayall, 1994). In these cases, state-seeking organizations can increase their financial and military resources and be able to challenge their rulers relatively more easily. Interstate conflicts, wars, annexations and occupations also create various "contested territories" which may become the cement of new collective identities.

The relationship between war-making, state-making and nationalism have long been examined (Tilly, 1990; Howard, 1994; Hayes, 1931; Mann, 1995). But many of these studies do not directly address how wars affect state-seeking nationalist movements. Now, there is flourishing literature which investigates the role of war in providing structural opportunities specifically for state-seeking nationalist movements. In his study, Wimmer (2013, pp. 81, 96-99) argued that "the likelihood of nation-creation increases with the number of fought on a territory or within an empire" and found quantitative evidence for this hypothesis. Likewise James Mayall (1994) emphasized how superpower competition created opportunities for state-seeking movements. According to

Mayall, superpowers have frequently encouraged or supported separatist movements as a way of obtaining leverage in global diplomacy. Our perspective can be seen as an application of these perspectives to a global level. Because we believe that inter-state warfare increases during hegemonic transition and financial expansion periods (Arrighi, 1994; Arrighi & Silver, *Chaos and Governance in the Modern World System*, 1999), in these periods state-seeking movements are likely to find more opportunities for mobilization and challenge their rulers.

Social Revolts, Rebellions and Revolutions

A final factor in our model is the escalation of other social revolts, rebellions and revolutions during hegemonic transition and financial expansion periods. Boswell and Chase-Dunn (2000) and Silver and Slater (1999) examined the escalation of different kinds of social revolts and revolutions during periods of hegemonic transition. In these periods, they argued, the virtuous circle is replaced by a "vicious circle, in which intensifying interstate and inter-enterprise competition interacts with mounting and increasingly dysfunctional social conflict, leading to periods of system-wide rebellions, state breakdowns and revolutions" (Silver & Slater, 1999, p. 151). Many other world-systems analysts also examined the simultaneous increase in nationalist and other forms of social and political upheavals in certain periods of world history (Arrighi, Hopkins, & Wallerstein, 1989; Martin, 2008). Yet to what extent these different forms of movements affect the mobilization of state-seeking nationalist movements is not properly examined in the literature.

Similar to inter-state wars, we argue that emerging instabilities due to rise of strong social and political movements (revolutions, rebellions) also provide a more fertile environment for state-seeking nationalist organizations to mobilize and break-away from the existing political structures. This is mostly because strong revolts, rebellions and revolutions destabilize existing states. Instabilities created by Protestant Revolutions in Europe in the 16th century, indigenous rebellions of the late 18th century in Latin America, French Revolution of 1789-1799, French Revolutions of 1830 and 1848, Bolshevik Revolution in 1917 etc. all created opportunity structures for many state-seeking movements in the regions affected by these great upheavals in extremely complex set of ways. Dutch independence movement of 1555-1648, *creole* nationalism in Latin America in late 18th century, Haiti revolution of the late 18th early 19th century, Belgian and Polish nationalist uprisings of 1830 or national liberation movements mobilized or supported by Bolsheviks in the early 20th century can be given as examples of some of these movements. This is not the only way, however, how other forms of social and political movements can contribute to the development of state-seeking nationalist movements. If some of these social and political movements are regionally concentrated, they may also chose secession as a feasible strategy to solve their problems. There are ample examples how tax revolts, political movements demanding representation, bourgeois uprisings against aristocracy, ethnic or religious riots or even regionally concentrated class conflict turned into different forms of state-seeking movements in history.

Main Hypotheses

Taking into consideration these assumptions, we argue that during periods of material expansion, state-led nationalist movements, in general, will have more resources to provide peace and security within their borders through coercion and consent and to "resolve" (to put it more correctly to "postpone") existing national problems in their territories during this period. We prefer to use the term "postpone" because all of these dynamics of the periods of material expansion –e.g. relative wealth and welfare created for subject populations, finance capital's interest in peace, provision of rights and liberties – are temporary. Under the coercive laws of competition, sooner or later, the source of the relative surplus value disappears, productive forces face with crises, periods of material expansion disappear and financialization begins. As Arrighi's C—M—C cycle is replaced by an M—M', states start to lose their capacity to contain state-seeking nationalist activities. Decline in state-led nationalism's capacity to successfully acquire the consent of their citizens through material means provides opportunity structures for political propaganda and mobilization for state-seeking nationalist movements. Thus in our conceptualization the relative demise of state-seeking nationalist activities is only temporary. As the period of hegemony is replaced by a period of crisis, state-seeking nationalist movements are expected to rise. Very crudely as we move from one hegemonic order to another we expect to see a relationship as explained in Table II-1 below.

Table II-1: Structural Factors and Nationalisms During Periods of Hegemony and Transitions

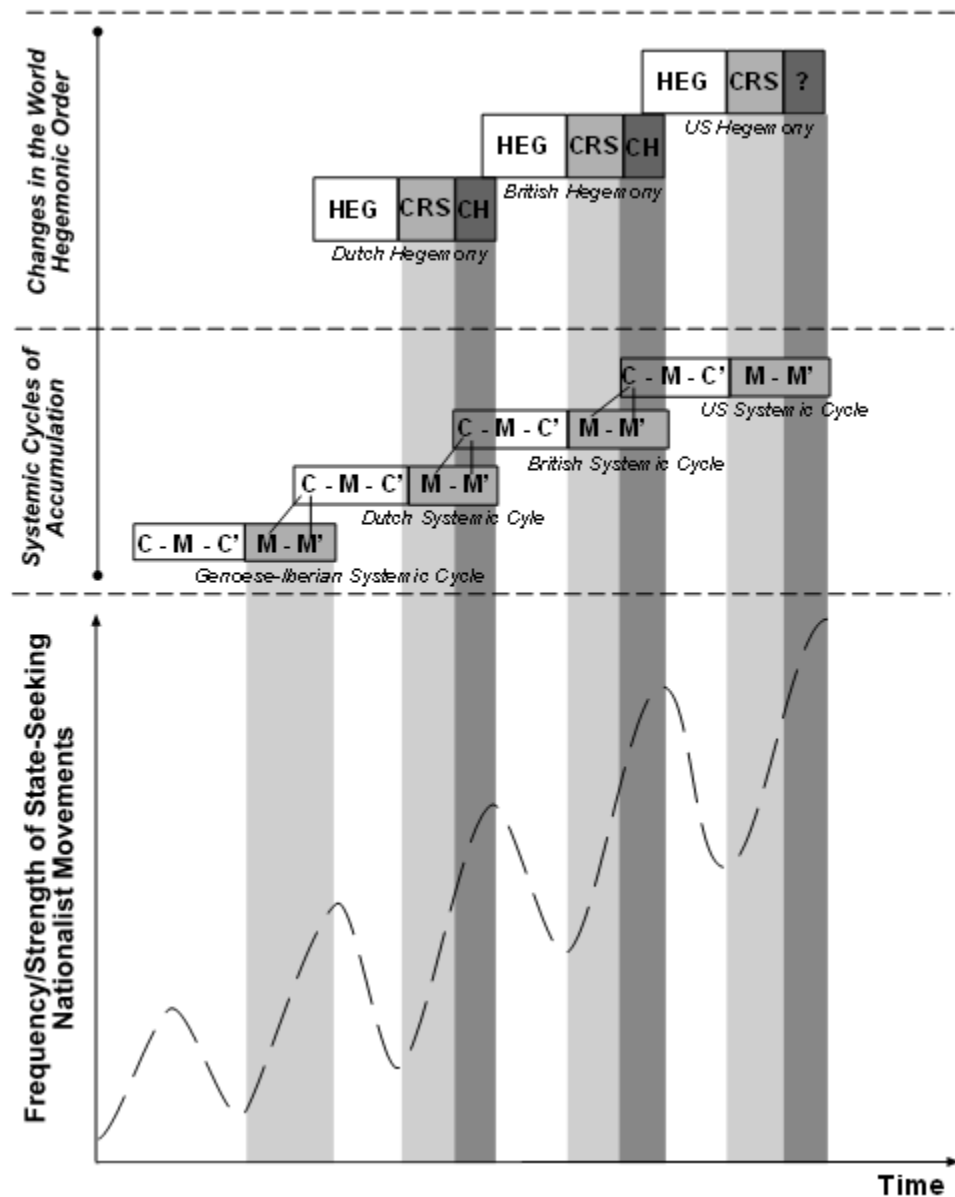
	HEGEMONY	TRANSITION		HEGEMONY
		CRISIS	CHAOS	
Systemic Cycle of Accumulation	C—M—C (for existing)	M—M' (for existing hegemonic power)	M—M' (for existing hegemonic power)	C—M—C (for new hegemonic)

	hegemonic power)		C—M—C (for rising hegemonic powers)	power)
Haute Finance's Interest	Stability	Stability →Instability	Instability (Instability →Stability at the end of the period for the rising hegemonic power)	Stability
Social/Political Compacts, Hegemonic Blocs	Established	Weakened	Dissolved	New Ones Established
State-Seeking Nationalism's Capacity of Containment	Strong	Weak	Aggressive	Strong
Composition of Force and Consent	High Consent	Low Consent, increasing Force	High Force, Lower Consent	High Consent
State-Seeking Nationalist Activities	Weak	Moderate	Strong	Weak

In short, as we move from one hegemonic order to another, we expect to see a rise and fall movement for state-seeking nationalist activities. If state-seeking activities cannot gain their independence they *may* disappear or change their *phase* (in Hroch's terms) and become "unfinished businesses". If they are successful, however, they *may* also be incorporated into the inter-state system as new states in the next hegemonic order as well. Because the principle of mutual recognition is an integral component of the modern inter-state system, the interests of the new hegemon (and the emerging hegemonic bloc) is a critical factor in determining the fate of these nations. But as we explained before, independence does not necessarily guarantee the end of national conflicts in that territory. Even if former state-seeking nationalist movements gain their independence, new sources of tensions may still emerge. Based on these assumptions, we argue that the succession of different systemic cycles of accumulation and hegemonic orders will create successive waves of state-seeking nationalist activities in the *longue*

durée, with intensification of political and economic crises in each hegemonic transition period. Precisely for these reasons, we expect to see not an inverse-U pattern but a "cyclical pattern" for state-seeking nationalist movements.

Figure II-4: Systemic Cycles of Accumulation, Hegemonic Transitions and State-Seeking Movements



Besides this quantitative pattern, however, we also expect to see a qualitative change in the nature of nationalism. An essential part of our argument is that

intensification of state-seeking activities during financial expansion periods will lead states to innovate new state-building strategies to contain and mobilize people. Accordingly these successive inventions in new state-building strategies will change the *form* of state-led nationalist activities in each systemic cycle of accumulation. Emulation of these new state-building strategies by other states is very likely to trigger new *forms* of state-seeking demands as well. This relationship also works the other way around. During hegemonic transition periods, new forms of resistance and alternative conceptualizations of "nation" will also emerge. If these alternative forms of resistance and political movements pose a threat for the system as a whole, this will push the new hegemonic bloc to innovate new strategies to contain these movements. As a consequence of this dual movement, nationalism will transform overtime.

We can now summarize the essence of our argument in four hypotheses: First, we expect to see more state-seeking activities during periods of financial expansion (and hegemonic transition) than periods of material expansion (and hegemonic consolidation) within each systemic cycle of accumulation. Secondly, we expect to see a significant decrease in state seeking activities during periods of material expansion (and hegemonic consolidation) compared to the previous period of financial expansion (and hegemonic transition). Thirdly, we expect to see a transformation in the state-building strategies in each systemic cycle of accumulation. And finally, we expect to see a transformation in the form of state-seeking movements in accordance to the changes in state-building strategies.

Chapters III-VIII provide a historical account of the transformation in the forms of state-seeking and state-led nationalist movements from the late medieval northern

Italian city-states to present. In the conclusion, we will sum up the historical pattern and changes in the forms of state-seeking and state-led nationalist activities we observed.

Methodological Premises

To assess the validity of these hypotheses, we will examine the historical trajectory of state-seeking nationalist movements across (1) the Genoese-Iberian SCA, (2) the Dutch SCA, (3) the British SCA and (4) the US SCA. However, because *haute finance* emerges in Italian city states in the 14th century, long before the birth of the Genoese-Iberian systemic cycle, we will start our examination with a focus on early Italian communes and city states. Thus there are five periods to compare.

Table II-2: Phases of Historical Capitalism

	Phases of Historical Capitalism	Full SCA	Hegemonic Order	App. Date for the Beginning of Hegemonic Consolidation	App. Date for the Beginning of Hegemonic Crisis
(1)	Northern Italian Communes and City-States (1000-1500)	No	No	-	-
(2)	Genoese-Iberian Systemic Cycle of Accumulation (1450s-1640s)	Yes	No	-	-
(3)	Dutch Systemic Cycle of Accumulation (1570s-1810s)	Yes	Yes	1648	1750/60
(4)	British Systemic Cycle of Accumulation (1770s-1910s)	Yes	Yes	1815	1865/71
(5)	US Systemic Cycle of Accumulation (1870-today)	Yes	Yes	1945	1968/73

Northern Italian communes and city-states is not a proper systemic cycle of accumulation and there is no hegemonic order in that time period. In the Genoese-Iberian systemic cycle, we see a full SCA but there is still no hegemonic order. The Dutch, the British and the US SCAs all established different forms of hegemonic orders.

In Table II-2 we list the main properties of these phases and approximate time durations of life cycles of the SCAs.

Our historical-comparative analysis of the state-seeking activities in these *five* epochs of historical capitalism has some methodological peculiarities that we need to explain. First, unlike conventional comparative strategies we reject a strategy of selecting particular cases to compare. Instead, we attempt to investigate *all* possible cases in their *entirety* and *interconnections*. Secondly, unlike most comparative practices, we will use *fuzzy* units of comparison throughout our analysis. Thirdly, we will use a modified version of a comparative-strategy known as "incorporating comparison". In the section below, we will explain the rationale behind these choices and clarify the methodology of our research.

Scope of Our Analysis

In order to assess the validity of these hypotheses, we will pursue a historical-comparative analysis of state-seeking nationalist movements in each systemic cycle of accumulation. However, unlike most comparative strategies, we will not select a number of cases to assess the validity of our argument. We attempt to examine all possible cases in their *entirety* with a focus on their historical and spatial *interconnections*. In other words, we will examine all state-seeking movements in the "world" that is affected by historical capitalism.

In current literature, the strategy of focusing on the world in its *entirety* and on *interconnections* among cases is associated with *world systems analysis*, which was born in the 1970s. Although it is true that world-systems analysts have been the most

consistent defenders of this approach, these ideas were defended as the methodological fundamentals of sociological inquiry long before the emergence of world-systems analysis as a theoretical and methodological perspective. In 1917, for instance, a manuscript titled "Statistics and Sociology", by an author named P. Pirynchov, argued for the necessity of examining all cases of inquiry in their entirety with their temporal and spatial interconnections. Pirynchov wrote:

The most widely used, and most fallacious, method in the realm of social phenomena is to tear out *individual* minor facts and juggle with examples. Selecting chance examples presents no difficulty at all, but is of no value, or of purely negative value, for in each individual case everything hinges on the historically concrete situation. Facts, if we take them in their *entirety*, in their *interconnection*, are not only stubborn things, but undoubtedly proof-bearing things. Minor facts, if taken out of their entirety, out of their interconnection, if they are arbitrarily selected and torn out of context, are merely things for juggling, or even worse (1964, p. 272).

More interestingly Pirynchov, in his "Statistics and Sociology" was working on the question of nationalism and national movements. In the manuscript he was calling for a proper survey of the *whole* complex of data on national movements to unearth the "stubborn facts" about nationalism.

The inference is clear: we must seek to build a reliable foundation of precise and indisputable facts that can be confronted to any of the "general" or "example-based" arguments now so grossly misused in certain countries. And if it is to be a real foundation, we must take not individual facts, but the *sum total* of facts, without a *single* exception, relating to the question under discussion. Otherwise there will be the inevitable, and fully justified, suspicion that the facts were selected or compiled arbitrarily, that instead of historical phenomena being presented in objective interconnection and interdependence and treated as a whole, we are presenting a "subjective" concoction to justify what might prove to be a dirty business. This does happen ... and more often than one might think. [...] For a proper survey of the *whole* complex of data on national movements, we must take the *whole* population of the earth (1964, p. 272).

Pirynchov is not a real person. This is one of the pennames V. I. Lenin used in his manuscripts. And in this relatively unknown and unfinished manuscript called "Statistics and Sociology" Lenin (1964) was criticizing the method of inquiry many

socialists were using in their analysis of nationalism⁸. Trying to find a weapon against socialists who based their arguments on selective historical cases from different periods of time and space, Lenin's critique called for the (1) examination of cases - of "nationalist movements" - within their temporal and spatial interconnections and (2) examination of the world as a whole, in its entirety. In the rest of the article, using *Geographical Statistical Tables* compiled by Otto Hübner and *The Statesman's Year-Book*, Lenin (1964) started examining the regional variations of nationalisms among the West European countries and the semi-colonies but the manuscript breaks off at the beginning of the second part.

That's why, unfortunately, we are not able to evaluate the usefulness of Lenin's method for an analysis of nationalism. Yet his concerns are critical for examining the macro-historical trajectory of nationalism and predicting the possible shapes it might take in the *Long 21st Century*. Following in his footsteps, and the current tools provided by world-systems theorists, we will pursue a macro-historical comparative analysis.

But regions that historical capitalism penetrated into did not stay fixed in time. They expanded. For these reasons the "world" we examine also expands in each chapter. In Chapter III, we will focus on northern Italian communes and city-states; in Chapter IV we will look mainly at Western, Central and Northern Europe, especially the territories of the Spanish-Habsburg Empire; in Chapter V, we will extend our analysis to both sides of

⁸ From the rest of the article we understand that Lenin meant to criticize Otto Bauer and Karl Renner. Looking at his *Plans for a Pamphlet Statistics and Sociology* (Lenin V. I., 1977) it is possible to see that he originally planned this piece as a polemic against Struve and Kautsky and a criticism of Lensch's arguments about national liberation movements as well.

the Atlantic, in Chapter VI and Chapter VII- during British and US hegemonies - we will start to examine the whole world.

Of course, the benefits of this methodological preference come with a price. An investigation which aims to investigate all possible cases cannot focus on the historical specificities of state-seeking activities as other strategies do. From this macro-historical perspective it is not possible to pay attention to the psychological, micro-cultural and symbolic aspects of nationalism in the way of Brass (1979; 1991) or Geertz (1994); or to focus at the class composition of nationalist, patriotic groups in the way of Hroch (2000). With this methodological strategy, we will also lose the ability to address the Weberian problem of *Verstehen*, the problem of understanding *why* people are attracted to different types of nationalisms as well. However, our temporal and spatial investigation of nationalism will help us to capture its long-historical, world-scale trajectory and historical transformations from a macro and broader perspective.

Fuzzy Units of Analysis

A second peculiarity of our methodology is related to the unit of analysis of our comparison. In his *Social Preconditions of National Revival in Europe*, Czech scholar Miroslav Hroch reminds us that “every application of the comparative method has a number of basic requirements”, one of which is that, “the object to be compared should be defined as precisely as possible” (Hroch, 2000, p. 18). However, if we want to examine the historical trajectory of a *constantly evolving and changing* phenomenon, we must use a method which is prepared to capture changing forms of the object we examine. Use of strict operational definitions of nationalism will fail to capture the

fluidity of the term we attempt to examine. However, definitions cannot be arbitrary or selective either. In order to solve this problem I argue that, we need to learn and utilize comparative perspectives from the field of *anthropology*, which accept the possibility of *fuzzy* boundaries for objects of comparison:

The unit of comparison need not be accepted as discrete, homogenous and stable entities at all. Indeed, understanding them as the differentiated, changing results of wider developments, within their fuzzy boundaries, is essential for the new pluralism in anthropological comparison. [...] The public responsibility and intellectual challenges of the present demand wider answers from anthropologists, answers that move beyond the empirical and particular context to search for underlying forces, factors or principles as open research questions. Problem-oriented, theory-inspired approaches to pluralist methods of comparison that take fluid, historical, differentiated 'units' as their starting point - these are some of the results for an anthropology of the future from our alternative excursion into anthropology's comparative past. (Gingrich & Fox, 2002, pp. 19-20)

If we really see nations in the way Marcel Mauss puts it, as "recent things, far from having completed their evolution" (Casanova P. , 2011, p. 132), we must prepare ourselves for changing definitions of nationalism across time and space. For these reasons, I propose to examine "state-seeking activities" (instead of "state seeking *nationalist* activities") and "state-building strategies" (instead of "nation-formation processes") across these long centuries. Many cases I examine may not be considered to be "nationalist" in the literature as well. However, considering that there is no consensus on what nationalism is, I think this preference will provide us with an opportunity to understand why different definitions of nationalism are offered by different scholars.

Strategy of Comparison

In world-systems studies, one of the most widely used methods for historical-comparative analysis is the strategy called "encompassing comparison" (Tilly, 1984). Encompassing comparisons reduce complexity by starting with a *conceptual map* of the whole system and a *theory* of its operation (Tilly, 1984, p. 124; Silver B. J., 2003, p. 29).

Based on this conceptual/theoretical map, similarities and differences in the historical phenomenon is examined. In studies of nationalism Stein Rokkan's (1999) research on state-formation and nation-building practices of European countries is an example of an encompassing comparison. Although he did not provide a study of nationalism, Immanuel Wallerstein's observations regarding nationalist movements are also derived from his theory of the "Modern World-System" (Wallerstein, 1974), which is a classic application of this method. The strength of this approach is that, it "emphasizes the very real constraints that the totality imposes on the range of possible action open to local actors" (Silver B. J., 2003, p. 30). Put differently, this perspective emphasizes the structural limits of action within the system. But in doing so, this perspective also excludes the possibility that agents that belong to the system can change the configuration of the system as a whole. In sum, encompassing comparison is a perspective that emphasizes structure over agency.

This is why we will not use this strategy in our long-historical comparisons. Although we provided a conceptual and theoretical map of the relationship between nationalist movements and the evolution of world capitalist system, we argue that the dynamics of this system is subject to change. Relationships between states, strong social movements, ideas and ideologies have the ability to change the configuration of the system we examine.

With similar concerns in mind, many historical sociologists argued for the necessity of an alternative comparative strategy. Philip McMichael's (1990; 2000) "incorporating/incorporated comparisons" is often cited as an alternative to "encompassing comparisons". As opposed to "encompassing comparisons",

incorporated comparison makes three particular claims. First, comparison is not a formal, 'external' procedure in which cases are juxtaposed as separate vehicles of common or contrasting patterns of variation. Rather comparison is 'internal' to historical inquiry, where process-instances are comparable because they are historically connected and mutually conditioning. Second, incorporated comparison does not proceed with an *a priori* conception of the composition and context of the units compared, rather they form in relation to one another and in relation to the whole formed through their inter-relationship. In other words, the whole is not a given, it is self-forming. This is what I understand we mean by historical 'specificity.' Third, comparison can be conducted across space and time, separately or together (McMichael P. , 2000).

Incorporating comparisons is a useful strategy in which "the interactions among a multiplicity of subunits of the system are seen as *creating* the system itself over time" (McMichael P. , 1990). It is a strategy which is designed to understand a *totality* by comparing the evolution of the interactions among a multiplicity of subunits across time and space (McMichael P. , 1990; 2000). In other words, researchers do not start with *any a priori* conception of the relationship between the subunits: no conceptual maps or *a priori* theories are needed. This strategy explores and understands the totality by comparing the historical evolution of the subunits. Thus it allows the sub-units of the system to change the functioning of the system.

Using the language of sociological methods, his comparative strategy is not an explanatory (i.e. "external") study which prioritizes the explanatory power of a model, but an exploratory (i.e. "internal") study which aims to provide the explanation at the end of the analysis. From this point of view, incorporating comparison is the mirror image of the encompassing comparison. If encompassing comparisons determine the functioning of their subunits by its presumed mental map, incorporating comparisons determine the operation of the larger system by looking at the interaction among its subunits. Both assume interconnection between sub-units of the system as a rule. Yet encompassing comparisons use this assumption to predict the behavior of the sub-units of the system

and incorporating comparisons use this assumption to unearth the functioning of the system. If encompassing comparisons move from structure to the subunits, incorporating comparisons move from the subunits to the structure.

McMichael gives Barrington Moore's (1967) *Social Origins of Dictatorship and Democracy* and John Walton's (1984) *Reluctant Rebels* as his examples of incorporating comparisons which are used to analyze changes across both time and space (McMichael P. , 1990). Both of these examples use comparative inquiry to understand the operation of a larger structure but they did not start their investigation with any theoretical/conceptual frameworks. Their aim was to establish these relations at the end of their analysis.

This is why we also cannot use incorporating comparison strategy. The main problem with McMichael's incorporating comparison strategy is its rejection of *a priori* theoretical/conceptual frameworks. For McMichael, *a priori* conceptions or theories regarding the existing relationships among the subunits is not necessary to establish historically grounded theories because the interrelationships between these events or processes are established "historically". Without *any a priori* theoretical conceptions about the operation of the system, I argue, it is also very likely for researchers to establish relationships which do not actually exist. McMichael says that the process-instances are comparable because they are historically connected, but not all processes are historically connected.

If we use an analogy from statistics, the encompassing comparison strategy resembles a hierarchical linear model, where the relationships between multiple level

independent variables and interactions are established in advance. In this strategy, the priority of the researcher is to show the explanatory power of the model. The incorporating comparison strategy, however, resembles a correlation study, which investigates the historically interconnected events in their temporal and spatial entirety and in their complex set of interconnections. It does not start from a theory or model but gives priority to the actual variation within the data. However, this strategy must be carefully utilized since correlation does not necessarily imply causation. Similarly, every relationship and pattern we see in historically related events may not necessarily exist.

That is why, what we need is a strategy that utilizes the strengths of both methods, but transcends them in the way that they conceptualize the relationship between theory and history on the one hand, structure and agency, on the other. Thus a better reference for our purposes will be the comparative methodology implemented by Giovanni Arrighi and Beverly Silver (Arrighi & Silver, 1999; Silver & Slater, 1999; Silver B. J., 2003), who saw their comparative strategy as being closer to "incorporating comparison" than to "encompassing comparison". Arrighi and Silver agree with the criticism Philip McMichael made against the encompassing comparison strategy. However, in my reading, there is a difference in the comparative strategies used by Arrighi and Silver and the incorporating comparison strategy as outlined by McMichael.

In their studies, Arrighi and Silver did not exclude the usefulness of theoretically informed conceptual frameworks for their comparative studies. On the contrary, in *Chaos and Governance* Arrighi and Silver (1999) provided a theoretical scheme, of a different kind, for hegemonic transitions, which they examined in detail from different perspectives. In his *The Long Twentieth Century* Arrighi (1994) laid down his notion of

"Systemic Cycles of Accumulation" based on his readings of Marx and Braudel, and he analyzed the effects and consequences of financial expansions across long centuries based on this framework. In *Forces of Labor*, Silver (2003) compared instances of labor unrest in their (temporal-spatial) entirety and (temporal-spatial) interconnections in dynamic time-space. However, Silver started her examination through the guidance of a hypothesis: "where capital goes conflict goes". Similarly, Silver and Slater (1999) studied the world-historical patterning of social movements across three hegemonic periods using the theoretical scheme informed by the *Introduction* of the *Chaos and Governance*. All of these studies had, in one way or another, a theoretical/conceptual framework at their hands before they started their analysis. Yet, they analyzed the actual historical unfolding of the events and processes to establish their narratives. In order to do that, they had to take historical interconnections seriously and to critically study the anomalies, questions and puzzles that emerge out of the misfit between what is expected by the theoretical scheme and what is actually seen.

This critical inquiry, according to my interpretation, allowed them to move beyond their *original theory and conceptual framework* and to move beyond what is merely visible through their data. The power of their studies came from a constant move back and forth between theory and history; between structural continuities and change. This strategy illustrates our purposes better. Although we provided a theoretical and conceptual map of the relationship between the world capitalist economy and two antagonistic forms of nationalist movements, we understand that these relationships are subject to change and transformation across time. Thus we will primarily use our theoretical/conceptual tools as a compass which shows us where to look, when to look

and what to look at. Based on our comparative strategy, we hope to be able to move beyond our initial structural model, discuss the anomalies, and reconstruct a more robust theory of state-seeking and state-led nationalist movements than one laid out in this chapter at the concluding chapter of this study.

III. BIRTH OF HAUTE FINANCE AND DEATH OF PATRIOTISM IN NORTH ITALIAN CITY-STATES

In *The Long Twentieth Century*, Giovanni Arrighi argued that the origins of the modern interstate system lied in the formation of a city-state system within the medieval system of rule in Northern Italy. Observing (1) a quintessentially capitalist system of war-making and state-making in which states were almost "nothing but a committee for managing the common affairs of the whole bourgeoisie", (2) development of a "protection-producing industry" through which wars would pay for themselves, (3) a mechanism of "balance of power" which helped these Italian city-states to preserve their mutual separateness and autonomy and (4) an extensive network of residential diplomacy, Arrighi argued that the Italian city-state sub-system not only contained the most critical elements of what we call as the modern interstate system but also of *capitalism* (2010, pp. 37-40). As Arrighi's efforts illustrated, the theoretical insights provided by Fernand Braudel and William McNeill - both of whom also saw northern Italian city-states as the cradle of modern capitalism and modern inter-state system - proved to be immensely useful to reconstruct a sociological theory of the evolution of capitalism and the modern inter-state system. Following in the footsteps of Arrighi, Braudel and McNeill, in this chapter, we will trace the origins of the dynamics that shape nationalism - as defined in Chapter II - by examining the transformation of state-society relationships in the Northern Italy from 1000 to 1500 A.D.

This period is neither a proper systemic cycle of accumulation nor a period of hegemony. This is the *genesis* of our story. That's why rather than illustrating a cyclical movement of state-seeking activities as we proposed in our theoretical framework, in this chapter we attempt to examine the birth of *haute finance* and its effects on state-society relationships in these city-states. Even in a *premature* form, however, this epoch contains some of the most critical mechanisms and processes of state-building activities and state-seeking movements we will recurrently see in the course of our analysis of systemic cycles of accumulation.

For anyone who is interested in the relationship between capitalism and nationalism, the northern Italian peninsula between 1000 and 1500 A.D. is unique for two reasons. First and foremost, in this period, northern Italian city-states became the most prosperous and fastest growing region in Europe (see Table III-1 below). For various theorists - not only for Braudel and Arrighi but also for Marx and Engels as well - capitalism emerged in these Italian city-states¹. The medieval communes of North Italy, as Marx and Engels ([1848] 1978) put it, were "first political consequences of the development and strengthening of bourgeoisie which was initially nothing but an oppressed class under feudal nobility".

¹ It is important to note that there is no consensus about the origins of historical capitalism and we do not attempt to participate in this "Great Debate" (Abu-Lughod, 1989, p. 115). We merely underline the existence of a wide list of scholars who see Italian city-states as the cradle of capitalism. In the first volume of *Capital*, for instance, Karl Marx argued that the primitive accumulation and capitalist production developed earliest in Italy in the thirteenth century (Marx, [1867] 1992, p. 670). However, one can also find various other passages in Marx's writings that he chose sixteenth century or nineteenth century as the origins of modern capitalism as well. Fernand Braudel in Volume III of "Civilization and Capitalism" emphasizes that he is in agreement with Marx who argued that capitalist production started in thirteenth century Italy (Braudel, 1992, p. 57). Likewise, Giovanni Arrighi (1994), in his *Long Twentieth Century*, argued that the Italian city-state sub-system not only contained the most critical elements of modern interstate system and modern *capitalism*. Frederick Lane (Lane, 1966, p. 57) characterized Venice to be the first city to become capitalist. Also see Sarpoti (1952) and Fanfani (1933) for arguments which support that a form of capitalism existed in the Italian city-states in the thirteenth century.

Table III-1: Average GDP per Capita in 1000 and 1500, Western Europe

Western Europe	1000	1500	Percent Growth
<i>Italy</i>	450	1,100	144.44%
Belgium	425	875	105.88%
Denmark	400	738	84.58%
Netherlands	425	761	79.07%
United Kingdom	400	714	78.53%
France	425	727	71.14%
Germany	410	688	67.80%
Austria	425	707	66.35%
Sweden	400	651	62.73%
Switzerland	410	632	54.22%
Norway	400	610	52.50%
Finland	400	453	13.33%

Source: Author's calculations from Maddison (1996). 1990 International Geary-Khamis dollars

Secondly, historians also observed that the burgeoning of these autonomous communes and city-states coincided with the development of a particular sense of civic-identification with land and city, therefore establishing a sense of "patriotism" especially in city-states such as Florence, Verona and Venice (Smith, 1986, p. 61; Kohn, 1956, p. 599; Waley, 1988, pp. 101-107; Gross, 1999, p. 99). For Fernand Braudel, these emerging bourgeois cities of Europe were "West's *first* focus for patriotism" (Braudel, 1981, p. 512). Not only were they "the first" of their types, but also "the patriotism they inspired was long to be more coherent and much more conscious than the territorial kind, which emerged only in the first states" (Braudel, 1981, p. 512). Approving Braudel's observations, John Armstrong (1982, p. 93), in his *Nations Before Nationalism*, also argued that the unusually intense and intimate participation in city-politics not only helped to develop the notion of citizenship in these units, but also made these city-states the *first "patria"* of the West. Likewise, Martines (1988, pp. 125-126) saw the beginnings of the secular feeling of local patriotism in the thirteenth century Italian communes and city-states such as Florence, Genoa, Milan, Bologna, Siena and Padua - all of which were seethed with pride and bluster.

For many historians and social scientists, the simultaneous development of capitalism and patriotism was not a coincidence. They saw the rising prosperity of Italian city states as one of the key reasons for the emergence of a sense of pride and patriotism.

For instance, Merriman wrote that in northern Italian city states,

merchant capitalism eroded the power of the nobility by expanding the ranks and influence of townsmen. The wealth and status of urban merchants - although nobles also engaged in trade - allowed them to dominate the oligarchies that ruled the city-states. Prosperity increased the strong sense of municipal identity and pride; the political theorist Niccolò Machiavelli insisted 'I love my native city more than my own soul' (Merriman, 1996, p. 50).

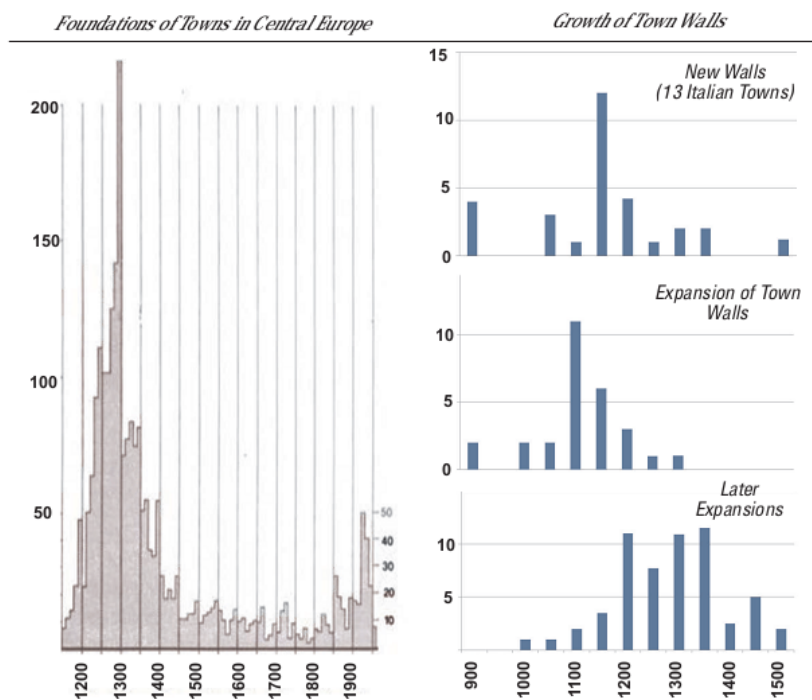
True. There was a relationship between increasing prosperity and pride; but this relationship was not that straightforward. A closer investigation of these cities and communes from 1000 to 1500 will reveal that there were two distinct and opposite forms of state-society relationships in these lands, which closely overlapped with two distinct forms of capital accumulation strategies.

The period from 1000 to 1300 was a period of increasing trade and productive activities mostly related to the Mediterranean trade thanks to the Crusades and long distance trade with the Far East. Very broadly speaking, this period was a "material expansion" period². From late 1000 to 1300 there was a rise in the number of bourgeois communes in North Italy to an unprecedented level. Communes were established in Pisa, Lucca, Milan, Parma, Rome, Pavia in the 1080s; in Asti, Arezzo, Genoa in the 1090s, in

² To clarify, Arrighi does not count this period as a "material expansion" because he underlines that "no single agency or complex of agencies can be said to have promoted or organized the expansion. The northern Italian city-states, which were among the main beneficiaries of the trade expansion and became the leaders of the subsequent financial expansion of the European world-economy, did play a critical role in creating regional links in the transcontinental chain of transactions which stretched from England to China" (Arrighi, 2010, pp. 88-89). Since *The Long Twentieth Century* attempted to work out notions of "systemic cycles of accumulation" and "hegemony", this distinction was critical for Arrighi's purposes. For us, however, the origins of this trade do not matter. What matters is that northern Italian city-states managed to become one of the main beneficiaries of this expansion.

Como, Pistoria, Verona in the 1100s; and in Bologna, Siena and Florence after the 1120s (Martines, 1988, p. 18). It is almost impossible to provide an exact list for these communes. This burgeoning of the cities and *burgess* towns within the interstices of Medieval rule was not merely a northern Italian phenomenon either. In this period hundreds of medieval towns and cities were established in Central Europe (see Figure III-1 below) spanning from the Low Countries to Northern Italy (Braudel, 1992, p. 92; Mann, 1986, p. 397; Merriman, 1996, p. 48; Abu-Lughod, 1989). Yet, northern Italian city-states constituted the ideal-type of this development. In what follow, we will argue that from 11th century to 14th century, a distinct form of "patriotism" - as we defined in Chapter II - emerged in the communes, burgess towns and city-states of North Italy.

Figure III-1: Foundations of Towns in Central Europe and Growth of Town Walls in North Italy



Source: These figures illustrate the rise and fall of medieval town in Central Europe as a whole and the expansion of town walls as an indicator of the growth of population in North Italian city-states. Foundation of Towns in Central Europe figure is from Fernand Braudel (1992, p. 93). Growth of Town Walls figure is from Miskimin (1969, p. 22)

Starting with the 14th century, however, there was a general stagnation in the region, which is known as "the general crisis of the 14th century". This was when the phase of material expansion came to an end, *haute finance* was invented, and the first era of financialization in world capitalist history started. We argue that, in this financialization period patriotism -as we defined it - turned upside down. Social structures that constituted "patriotic communes" of the previous era gradually dissolved, city-states like Venice and Florence entered into a phase of territorial and colonial expansion by conquering other free cities, communes and towns which led to a number of independence movements from the mid 14th to mid 15th century. Within this chaos, a new kind of state-society relationship and a new kind of "patriotism" emerged in the peninsula. Because the term "patriotism" is used by historians only in a general sense, this transformation in "patriotism" went mostly unnoticed.

This chapter analyzes the transformation that "patriotism" went through during the transition from "material" to "financial" expansion periods. This epoch of European history, we argue, contains some of the most critical processes and mechanisms without which the dynamics and patterning of modern nationalism cannot be understood.

Patriotism in Northern Italian Communes During Material Expansion Period, 1000-1300

The medieval communes of the 11th century were peculiar inventions. They were invented as a "solution to the impasse created by the breakdown of the imperial regime [of the 11th century]" (Hyde, 1973, p. 49). In 1056, the Holy Roman Emperor Henry III died "and for nearly twenty years Italy was left to its own devices" (Hyde, 1973, p. 49).

What gave the opportunity for the political entities to flourish and survive was a series of conflicts - including the famous War of Investitures - between the different kings and emperors; church and states; and the clergy and the laity of Medieval Europe which shook the tottering old regime from top to bottom (Lachmann, 2000; Hyde, 1973, p. 49; Trevelyan J. P., 1956, p. 77; Martines, 1988, pp. 7-19). Communes, towns and cities found greater opportunities to gain their autonomy in regions where these different forms of inter-elite conflicts were the highest (Lachmann, 2000; 2010, p. 20). The struggles between French and Burgundian kings, popes, rival ecclesiastics and German emperors made north Italy fertile for gaining autonomy for those who were able to take advantage of these feudal inter-elite conflicts. "It is impossible to say which of these upheavals was the most important, only that out of [this] general turmoil the communes were born" (Hyde, 1973, p. 49).

These communes were established not based on abstract ideals or theories but on the concrete needs and available resources of the new urban nobility and the merchant-traders of North Italy. Political structures of communes, however, were in conflict not only with the political structures of the medieval era but also with our modern conceptualization of the state. *First of all* these communes were established as "temporary associations" (Hyde, 1973, p. 52; McNeill, 1974). In other words, they were *not* perpetual political structures which aimed to survive forever. They were originally established for a fixed term of three or four years, and at the end of each year they were subject to renewal (Hyde, 1973, p. 52). In Genoa, for instance, they were renewed every four years (Weber, 1958, p. 109).

Secondly, membership in the communes was not mandatory but voluntary. Entrance into the communes was established through an *oath* which was taken by all members (Hyde, 1973, p. 52; Chittolini, 1996, p. 57; Gross, 1999, pp. 56-60; Bloch, 2005, pp. 78-79). In Max Weber's terms, these Italian communes were an *oath-bound* fraternity (*conjuratio*) of burghers (Weber, 1958, pp. 107-108). The oath of these burgesses, Marc Bloch (2005, p. 78) notes, was a novel invention which converted these isolated individuals into a collective being. These oaths defined the rights and duties of the citizens. For instance in Viterbo, the oath taken by the new citizen

[...] insisted on his loyalty to the commune; he was to obey its statutes and officers, to attend meetings and give counsel (not revealing secret discussions), to perform military service and make his house or tower (*torre*) available when required for military purposes, to pay his taxes, and so on. If he were a noble from the *contado* his oath would include a clause about a period of compulsory annual residence within the city. The admission of a new citizen might be an occasion of some solemnity, as when the consuls of Viterbo conferred citizenship on the lords of Soriano in Piazza San Silvestro on 10 September 1258 'investing them with staffs, which they held in their hands, and saying: 'Now you are citizens of Viterbo, admitted to all the usual benefits of Viterbese citizens' (Waley, 1988, pp. 65-66).

Following Marc Bloch, we must underline that different kinds of oaths have always been at the core of feudal rule. But there is a significant difference between the oath taken by these communes and those taken under the feudal regimes. Under feudalism these oaths symbolized a *vertical* engagement between the inferior and the superior, which made the former subject to the latter. "The distinctive feature of the communal oath, on the other hand, was that it united *equals*" (Bloch, 2005, p. 78). In other words this oath was a critical step in the formation of *horizontally*-bounded societies of the modern world. With the formation of these horizontally bounded societies, merchants, traders and other burgers were not only unmaking the vertically bounded feudal society of *medieval rule*, but also creating a new sense of identity. When

historians refer to "patriotism" in these communes, they usually mean this strong sense of belonging.

The *third* distinctive feature of these communes was that the communal oath had to be retaken regularly. These horizontally-bounded people had to come together and reproduce their communal bonds by retaking the oath on a regular basis. "At Pisa, for example, it was laid down that the oaths were to be read over in public every month" (Hyde, 1973, p. 97). The failure to take or retake the oath meant separating from the commune and not being able to utilize its protective and productive capacities. That's why, "secession" had a completely different meaning under these societies. Actually instances of collective secessions were frequent. If part of the citizens that belonged to a commune had to leave the commune physically and made new *oaths* among themselves, they were seceding from the commune. As Hyde puts it:

[The *communes*] were personal, sworn associations and were, therefore, in theory terminable and potentially mobile. This possibility was clearly realized in the case of the maritime communes, which can be seen splitting amoeba-like, so that the overseas expeditions are in a real sense the commune on the move, with consuls, senate and *popolo* all present and fulfilling roles similar to those they played when they were at home. The same characteristic appears from time to time in the inland communes, when the communal armies on campaign held councils and *parliamenta* in camp or in the field, and could legislate exactly as if they were meeting in the traditional council place in the city (Hyde, 1973, p. 54).

All of these pieces of historical evidence show us that where a group of free-people gathered together, required protection and made an oath to protect each other and conduct trade, they could establish a political society in the form of communes. Their relatively small size did not necessitate additional means of communication to "imagine" their communities. Their communities were, indeed, very visible and tangible. In the mid-13th century a Pavian writer stated that "in his city everyone knew everyone and where everyone else lived because they met each other daily in the open" (Waley, 1988,

p. 67). This could be an exaggeration but still, it was possible to have face-to-face interactions with the majority of the fellow members of these communes. As a consequence residents of medieval communes did not have to distinguish between city and society, "which were the same concept. The limits of the organized group's habitat marked the boundaries of the society itself" (Benveniste, 1969, p. 364). Thus, the small territorial size was not an obstacle before the establishment of such horizontal comradeships: "It follows from the nature of the commune that it was not restricted to major cities, the seats of bishops and the centers of counties, but could appear wherever the social and political conditions were propitious, which could mean not only smaller towns and fortified *castelli*, but even open villages or groups of them" (Hyde, 1973, p. 57).

Because these communes were horizontally bounded voluntary organizations - where secession and unification based on concrete needs were common - there was almost never a misfit between the "political (governance) unit" and "national" unit. For these reasons, we can safely say that there were no nationalist tensions in these communities. In terms of their socio-political organization, these peculiar institutions were very close to our definition of patriotism in Chapter II (see Figure II-2).

How, then, did these institutions come into being? I believe that among all factors, conditions imposed by the material expansion period on the new urban nobility and rising bourgeoisie played the most critical part in the development of these "patriotic" communes. The characteristic feature of the 12th and 13th centuries in northern Italian city states and communes was the rise of production and trade. Thus we will trace the origins of the patriotism of these communes and city-states within the (1) organization of

production and trade, (2) organization of protection and war-making, (3) the inter-city sub-system each commune and city-state belonged.

Organization of Production and Trade

The development of patriotism in northern Italian communes was very closely related to the organization of production and commercial activities during the "material expansion" period of 1000-1300. William McNeill, in his *Venice: The Hinge of Europe, 1081-1797*, underlines that Italian merchants and traders in this time period established *ad hoc* corporations in every aspect of their production and trade. These *ad hoc* corporations were based on mutual contracts and when the business was over the contract dissolved. There was a complex web of reciprocal agreements made among these citizens, covering a large spectrum of areas including production, trade, banking and social services. But interestingly,

not all such corporations were economic in aim: military, religious, social and convivial purposes could also be pursued through such arrangements. Guilds and fictional brotherhoods, military units, hospitals, schools, monastic and other pious foundations, together with voluntary associations for humanitarian or aesthetic purposes, as well as governmental bodies of almost every kind, all qualify as examples of *ad hoc* corporations (McNeill, 1974, p. 15).

According to McNeill, northern Italian merchants and traders organized not only their economic relations, but also social and political relations based on these mutual contracts and *ad hoc* corporations. As McNeill underlines, medieval communes - these peculiar inventions - were actually nothing but another *ad hoc* corporation.

Briefly, Italians were able to create *ad hoc* corporations capable of coordinating important aspects of the routine activities of indefinite numbers of men across barriers of both time and space. Such corporations ranged in size all the way from a simple two-man contract that was dissolved at the end of a particular voyage to the largest corporate body of all - the commune, or city government itself (McNeill, 1974, p. 14).

McNeill's observations boil down to a simple fact: In North Italy, in this period, there was almost no distinction between business enterprises and government enterprises. Thus establishment of a commune (city government) was nothing but another reciprocal agreement like a business contract. This is not altogether surprising since, as noted by Lane (1979, pp. 38-39) and Arrighi (1994, p. 86), it was not easy to classify organizations as "business enterprises" versus "government organizations" before the sixteenth century. The demarcation lines between these two different types of organization were extremely unclear. That's why when the Genoese called their communes "*compagnas*" (Hyde, 1973, p. 52; Weber, 1958, p. 109) they were using the term in its dual meaning: both as a political unit and as a company. As Martines explains, the commune in Genoa was created out of commercial associations:

The flow of new wealth into Genoa went to buoy many a man and family up from obscurity. In 1099 the city's seven entrepreneurial associations (*compagne*) drew together into a *compagna* of the whole community. Although the different *compagne* long retained their separate identities and neighborhood spheres of influence, henceforth all men in the city were considered members of the larger communal or umbrella *compagna*; they were also to be under its government. Overnight, Genoa's great commercial associations were turned into a commune, but the commune was governed strictly by the nobility and the rich (Martines, 1988, p. 20).

There is not much historical evidence that shows ethnic and religious hostilities within these communes during this material expansion period. Of course, most members of the communes were very religious but, still, there is convincing evidence that "patriotism" of these communes was an inclusive one. In an interesting comparative study, Barrington Moore Jr. (2001) compares ethnic and religious hostilities in Early Modern port cities of Europe. In his discussion of Genoa, Moore discusses Theodore Bent's (1881) argument that Jews could find immunities in the early days of Republic of Genoa's prosperity. Knowing that the record of Genoese in treating Jews have not always

been positive in their history, Moore (2001, p. 696) argues that immunities and ordinances about occupations open to Jews could only have occurred between 1154 and 1257. If we agree with Moore on the idea that "how a society treats its Jews is a good index of its general attitudes toward ethnic minorities" (Moore, 2001, p. 696), we can say that The Republic of Genoa before the 14th century had a positive record in this area. Likewise Michael Hechter (2009; 2013) also observes this similar tendency in the Italian peninsula. "Although the 13th century had little conception of a norm of *national* self-determination", Hechter writes, "something akin to *civic nationalism* was in full force in much of the Italian peninsula" (Hechter, 2009, p. 293). In his recent examination of the Genoese *podestà*, Hechter (2009, pp. 292-294; Hechter, 2013) realized that the Genoese did not have any problem with electing "alien" (meaning "foreign") rulers. Likewise, Gross (1999) also believes that most medieval communes were ethnically inclusive. According to Gross, the citizenship in these institutions "was not tied to their ethnicity; although foreign born, they were members of the urban community" (Gross, 1999, p. 58). Gross (1999) also emphasizes that these communes were open to foreigners, to runaway prisoners and other criminals as well. It seems that city air really made people free.

It is possible to find two main dynamics in the organization of trade and development that possibly encouraged this development. First of all there was not much occupational specialization among different groups to create any - if I may use Hechter's terms - strong segmental division of labor in these communes. As McNeill (1974) illustrates, a citizen usually made not one but a number of different agreements with other citizens. In other words, he was no longer in a single job or an occupation. The citizens of the commune and the city-states were investing in and/or participating in different

kinds of jobs and guilds, which created a Gellner-type "social entropy" long before the age of industrialization. Moreover, McNeill's observations on Venice provide ample evidence for how these *ad hoc corporations* transcended existing family or blood ties and established a sense of community among the "citizens" of these communes and city-states:

Ad hoc corporations had the effect of coordinating behavior beyond familial or other traditional limits. Strangers routinely entered into cooperative and relatively predictable relationships with one another through such corporate structures. These entirely familiar yet really quite extraordinary patterns of conduct had the effect of magnifying individual effort enormously by creating the conditions for mutually supportive or complementary activity on the part of individuals who might be separated by long distances or even remain entirely unknown to one another (McNeill, 1974, pp. 14-15).

McNeill (1974, pp. 20-21) offered an economic explanation for this inclusiveness. Voluntary coordination of effort achieved in the form of *ad hoc corporations*, he argues, created a level of efficiency which can rarely be achieved by compulsion and force. That's why, historically, these sorts of mutual trust and coordination relationships did not exist beyond family circles. Greeks, Jews and Muslim traders established similar contracts but it was very rare that they had partners other than their relatives. The difference of the Italian city-states lied precisely at this point: "Italians, too, often preferred to entrust business to brothers, sons, and cousins; but it is also clear that from the eleventh century, when the scale of business began to expand very fast, Venetians and other Italians were quite ready to enter into *colleganze* with men who were merely fellow citizens" (McNeill, 1974, p. 21). Organization of trade, production and commerce was the social glue that held the population of communes together, coordinated and mobilized them into a group of citizens with a strong sense of group solidarity.

Organization of Protection and Violence

A second factor which led to the development of patriotism in these Italian communes was related to the organization of protection and war-making. Citizens of the Italian city-states originally organized their protection in the form of "militias" (Lane, 1973; Abu-Lughod, 1989; McNeill, 1974; McNeill, 1982, pp. 72-73; Waley, 1988). Some scholars emphasize that formation of the regular militia in northern Italian city states dates back to the ninth and the tenth centuries when "the invasion of the savage Magyars had forced the inhabitants to provide for their own defense by fortifying their towns and forming a regular militia" (Trevelyan, 1956, p. 77). Yet formation of the militia also had a much different role in these city-states. It was closely linked to the necessities of the "material expansion" period. As Janet Abu-Lughod (1989) put it,

just as Britannia's hegemony was later to be assured by her naval gunboats, the success of the Italian merchant fleets depended on in the last analysis upon how well they fared in marine war of all against all [...] This protection could not be bought from someone else; the Italians had to provide it for themselves (Abu-Lughod, 1989, p. 113).

In these communes - where production and trade were mainly based on overseas trade - there was no difference between the crews of the merchant marine and the navy. Navies and trade ships were technically the same. In some cases navies and trade ships were only distinguished from each other by the size of their crews³ (Lane, 1973, p. 48). On merchant ships "every seaman was required to be provided with arms and armor - with sword, dagger, javelin or lance, shield, helmet or hat and battle jacket - while mates were required to have additional weapons and superior body armor" (Lane, 1973, p. 49).

³ "Indeed, Venetian regulations distinguished between "armed" and "unarmed" ships by the size of their crews. Even a vessel built like a galley was not considered an "armed ship" unless its crew numbered at least 60 men. When "armed", a galley normally carried 140-180 men." (Lane, 1973, p. 48)

And laws required each citizen to keep these necessary arms in their houses as well. If they were oarsmen, they had to keep their swords, daggers, lances, shields at their home; if they were more prosperous they had to keep a *suitable* for the cavalry system (Lane, 1973, p. 49; Waley, 1988, p. 53; Mallett, 1974, p. 11). Furthermore, communes started to invest on cross-bow manufacturing for protection of their cities, and this technological innovation was a huge step in providing ordinary people with arms and weapons and creating an army of citizens (McNeill, 1982, pp. 67-68). Providing weapons for ordinary men, such laws constituted a complete change from feudal norms which was based on a clear separation between *those who pray*, *those who protect* and *those who produce*.

Utilizing such methods, traders, merchants and ordinary oarsmen of these merchant cities were able to provide protection and war-making whenever necessary. An additional permanent military force was not necessary and thus it did not come into being. When additional temporary military service was needed, which was more the case after the thirteenth century, *ad hoc corporations* and agreements came into play. In times when hiring additional soldiers was required, the city-state governments made additional deals with their citizens (McNeill, 1974, p. 19).

Organization of the Inter-City Sub-System

These two pillars of medieval communes and city-states (organization of trade and production on the one hand, organization of protection and war-making on the other) could not survive without the inter-city-state sub-system that emerged in the region. This sub-system had a well-established balance of power system and these communes often acted together as a confederate league against their common enemies. The most famous

of these occasions was the Battle of Legnano in 1176 in which the Lombard League established by a number of northern Italian city states (including Milan, Genoa, Bologna, Venice, Parma, Modena, Crema, Verona, Lodi, Cremona, Mantua, Piacenza, Bergamo, Brescia, Padua, Reggio Emilia, Treviso, Vercelli and Vicenza) countered Holy Roman Emperor, Frederick Barbarossa. However, it was not the only occasion. Such confederations were also established by *oaths*. These oaths sometimes led historians to erroneously assume the existence of a primordial "national" feeling among the "Italian" people. Members of the Lombard League, for instance, took an oath to

oppose any army from Germany or other land of the Empire beyond the Alps attempting to penetrate into Italy, and should such army nevertheless gain entrance to persevere in war till the said army be again expelled from Italy (Kohn, 1956, pp. 599, ft. 36).

However at the time, *Italy* was merely a geography. Each commune and city-state had its own distinct identity but they protected their inter-city-state sub-system together.

Indeed, these communes had a very high level of in-group solidarity. They even had symbolic representations of their communes and they had their own myths. Each commune, for instance, had a *Carroccio*, a sacred car, bearing the altar and the banner of the Commune, with a special name (Waley, 1988, p. 101; Trevelyan J. P., 1956, p. 78). Citizens of Parma, for instance, had their *Blancardus* and citizens of Cremona had their *Betha*. Furthermore, each commune identified themselves with a chosen saint. Genoa had Saint George and Venice had Saint Mark. (Lane, 1973, p. 88). Thus each commune was self-conscious of its separate and distinct identity. But this did not prohibit them from making *ad hoc* contracts with citizens of other communes when necessary. These contracts and agreements were made especially when cities needed additional protection.

Hiring mercenaries from other city-states was not uncommon. When the Genoese needed additional force in the 1220s, for instance, they hired mercenaries from Lucca, Tuscany and Lombardy. When the Sienese were fighting with Florence in 1229-1231, as another example, they employed mercenaries from Lombardy, Emilia and Liguria (Waley, 1988, p. 97).

This kind of cooperation was necessary because it was mutually beneficial for the merchants and traders of different communes/city-states. After all, before the 14th century, under the virtuous cycle of production, trade and increasing wealth, Italian city-states and communes were *not* conquering the niche of one another. Political-economy of the peninsula was largely a positive-sum game and there was a kind of division of labor among these city-states which made them operate in different business lines.

Cooperation rested primarily on a division of labor among the commercial-industrial activities of the city-states. Even the "big four" occupied fairly distinct market niches in the trading system. Florence and Milan both engaged in manufacturing and in overland trade with northwestern Europe; but while Florence specialized in textile trades, Milan specialized in metal trades. Venice and Genoa both specialized in maritime trade with the East; but while Venice specialized in deals with the southern Asian circuit based on the spice trade, Genoa specialized in deals with the Central Asian circuit based on the silk trade (Arrighi, 1994, p. 89).

Thus as Arrighi emphasized, before 14th century, northern Italian city-states were still able to find plenty of market niches in the Mediterranean trade, which were either "empty" or were eagerly relinquished by other city-states. Furthermore, as more city-states participated in trade, they were providing additional security for the region and reducing the costs and risks of trade operations for other city states.

But even when old and new centers were operating in the same line of business, and therefore seemed to be directly in competition with one another, they were in fact cooperating in creating a volume of trade that was large enough to permit the opening up of new sources of supply - or of new outlets for the disposal of outputs - but would have been too large for a smaller number of units to organize effectively (Arrighi, 1994, p. 91).

This was the base on which the patriotism of Medieval communes rose and stood. From 1000 to 1300, as the profits from the Mediterranean trade increased, there was a virtuous cycle which maintained this social system. When the profits of the Mediterranean trade started to decline, all social and political structures of these medieval city-states and communes started to change. This was the death of "patriotism" as we know it and this coincided with the birth of "*haute finance*" in the history of capitalism.

Financialization, Crisis and Rise of City-State Independence Movements, 1300-1450

Starting from the 14th century, there was a sudden intensification in the inter-capitalist competition due to a general economic stagnation. The Black Death may have played a role in it but as Hyde (1973, p. 179) observes; actually the Black Death "was preceded in Europe by a series of lesser misfortunes of various kinds which suggest that something was seriously wrong with the economy." The real problem was that the profits that could be squeezed out of Mediterranean trade reached its limits by the 14th century. The total value of commercial merchandise anticipated by the tax farmers at Genoese ports dropped by fifty percent between 1293 and 1334 (Arrighi, 2010, p. 91). Between 1328 and 1461, no substantive improvements were made to the Genoese harbor, which was almost a proof of commercial stagnation (Abu-Lughod, 1989, p. 126). The famous Arsenal of Venice, which had been expanding rapidly since it was founded in 1104, stopped expanding for more than a century after 1325 (Lane, 1934, pp. 129-130; Abu-Lughod, 1989, p. 126). And if we take population growth as an indicator of economic growth - as historians and economists of early modern Europe often do - we will see other evidence of the stagnation as well. "Between 1350 and 1450 no upper Italian city

had rises in population that were anywhere near the records set in the period about from 1140 to 1280" (Martines, 1988, p. 168).

Of course, the crisis of the 14th century was a general one which cannot be explained by the dynamics of the Mediterranean trade, alone (Anderson P. , 1978, pp. 197-203). But the declining profit rate of the Mediterranean trade was one of the most critical factors that started the "vicious cycle" of the fourteenth century. The vicious cycle grew in scope and scale with the Great Famine of 1315-1317, the Italian crop failures of 1320 and the collapse of the three "super-companies" of the time: the Bardi, the Perruzzi and the Acciaiuoli (Hunt, 2002; Hyde, 1973, pp. 185-186). There was a general stagnation all around Europe. From 1310 to 1390, cloth production in Ypres, for instance, declined more than 80 percent (Miskimin, 1969, p. 94). Although the effects of this crisis were felt in most parts of Europe, "as the most complex economy in the medieval world, Italy had most to lose from [it]" (Hyde, 1973, p. 178).

Economic stagnation and the crisis suddenly changed the relationship between the city-states. The first changes took place in the organization of the inter-city-state sub-system. The virtuous cycle of mutual cooperation turned into a vicious cycle of competition and rivalry; and soon, economic rivalry turned into an inter-city-state war. As Mediterranean trade switched from a positive-sum game to a zero-sum game, a cut-throat competition took off which "constituted one of the clearest historical instances of 'war of all against all'" (Burckhardt, 1986, pp. 4-64; Arrighi, 2010, p. 92). As Mattingly (1988, p. 49) put it, from now on "rival cities [were] eager to make profit out of a neighbor's difficulties. And there were usually secret enemies conspiring within the gates".

So warfare between city and city became endemic all over northern and central Italy. Only commercial giants like Venice and Genoa could afford to wage their wars on the sea lanes and shake half the peninsula with their quarrels. Mostly the war was with the nearest independent city, a convenient day's journey or so away. Thus Perugia warred with Arezzo, Florence with Siena, Verona with Padua. [...] War became the health of the state. It was also its most dangerous disease. More even than the factional quarrels of the ruling classes and the mounting unrest of the urban proletariat, the endemic wars of Italy threatened its communes with the loss of their hard-won liberties. Even the richest and strongest cities found long continued wars debilitating. And in the end, victory and defeat were equally dangerous. If defeat threatened the return of the exiles, victory risked the seizure of power by a successful general (Mattingly, 1988, pp. 49-50).

Inter-city-state conflicts increased dramatically in the 14th century. But until 1375 wars were relatively brief in duration. Beginning with 1375, however, "Italy entered a seventy-five year period of longer, more costly, nearly non-stop warfare" (Najemy, 2004, p. 199). This was what Braudel called the "Italian Hundred Years' Wars". In this time period, the number of medieval communes decreased dramatically. In the 1300s,

the chief danger [...] was complete subjugation. Big cities ate smaller ones. The boundaries of the victors widened ominously towards one another. From 1300 on, the number of independent communes dwindled. Florence took Arezzo and then Pisa, Milan absorbed Brescia and Cremona, Venice annexed Verona and Padua. And these victims had been powerful cities, the conquerors of their smaller neighbors before they were conquered in their turn (Mattingly, 1988, p. 49).

Haute finance was born within this chaos. Cosimo de' Medici and Averardo de' Medici are known to have said that "the only time when one could become great was during war, by providing for the military needs of the city and lending money to the commune" (Hay & Law, 1989, p. 117). Medicis' statement not only reveals the secret behind their own wealth but also one of the critical properties of periods of *financial expansions* in world capitalist history. Although its foundations were laid down during the material expansion of the late thirteenth and early fourteenth centuries (originally in Florence), *haute finance* came of age only after that expansion came to an end (Arrighi, 2010, p. 97). It was a product of the crisis and stagnation of the fourteenth century. In this period capital was no longer able to find profitable investment in trade; thus surplus-

capital was achieved through the "financing of the war-making activities" (Arrighi, 2010, p. 93). For Arrighi, this was the context in which capitalism as a historical system was born:

The intensification of inter-capitalist competition and the increasing interpenetration of this competition with the power struggle within and between city-states did not weaken but strengthened the control of these states by capitalist interests. As the "Italian" Hundred Years War raged on, one city-state after another faced ever more serious fiscal crises due primarily to 'truly staggering disbursements [...] for military expenditures and accruing interest on the public debt'. The result was an increasing 'alienation' of the city-states to moneyed interest. [...] As in all subsequent financial expansions, the alienation of states to moneyed interests occurred through a transfer of surplus capital - capital, that is, that no longer found profitable investment in trade - to the financing of war-making activities (Arrighi, 2010, p. 93).

Before the rise of the House of Medici, Florentine firms Bardi and Perruzzi took part in financing wars. They financed the English invasion of France (1339-1340) but together with the bankruptcy of Edward III, they also crashed. As the crisis grew Acciaiuoli, the third largest Florentine banking firm, also collapsed (Miskimin, 1969, p. 151). This crash created a void in the structure of emerging high finance and strengthened the position of the surviving financiers (Arrighi, 2010, p. 108; Miskimin, 1969, p. 151). Using this opportunity in the midst of the rising "Italian Hundred Years' Wars", the House of Medici gradually climbed up to the leadership of high finance. This was the first financial expansion period of historical capitalism. In order to understand the role of the "crisis of the 14th century", the rise of financialization and changes in state-society relationships in northern Italian communes, we have to investigate this financialization period more closely.

Dissolution of the Militia System and Commercialization of Violence

It was apparent from the very beginning that the sustainability of these inter-city-state-wars in North Italy was not possible without a change in the social and political

organization of the communes. Starting from the late 13th century, in the midst of increasing warfare, northern Italian communes had to change their mode of protection. Thus first, the system of militias was dissolved.

In Florence, the number of civic cavalries declined dramatically starting from 1280s (see Table III-2) and in 1305, instead of using local militias, they decided to keep, for the first time, a permanent force of foreign troops (Hyde, 1973, pp. 183-184). In Venice and in other port-cities the tradition of armed oarsmen was abandoned. By 1330, "sailing became a full-time operation as never before. As a result, the citizen-sailor-soldier-trader-jack-of-all-trades who had first sustained Italian mercantile prowess throughout the Mediterranean began to disappear" (McNeill, 1974, p. 51). The mode of protection in the form of "militias" gradually left its place to a type of sub-contracting system in which communes decided to make short or medium-term contracts with foreign mercenaries. There was a rapid increase in free merchant companies known as the *condottiere* (contractors), which sold their services to the communes at a particular price (Mallett, 1974, pp. 25-50). This was a period of *commercialization of organized violence* (McNeill, 1982, pp. 69-74).

Table III-2: Number of Florentine Civic Cavalry Forces Participated in Great Battles, 1260-1325

Year	Battle	Number of Florentine Civic Cavalry Forces
1260	Montaperti	1400
1289	Campaldino	600
1315	Montecatini	300 or more
1325	Altopascio	500

Source: Waley (1988, p. 99)

There were a number of reasons which engendered such a change. First of them was related to the interests of the merchant, traders and bankers of these northern Italian city-states and communes. In the midst of the inter-city-state wars, if I may use

Schumpeter's words, the bourgeoisie proved to be "rationalist and unheroic" (Schumpeter, 2003, p. 137). Instead of,

[...] taking a personal part in the defense of their hometowns [...] international merchants and bankers [...] found it easier and more comfortable to hire someone else to man the walls or ride into battle. A hired professional was also likely to be a better and more formidable soldier than a desk-bound banker or harassed businessman. Efficiency and personal inclination thus tended to coincide. As a result the town militia that in the twelfth and thirteenth centuries defended Italian cities against all comers began to give way to hired bands of professional fighting men (McNeill, 1982, pp. 72-73).

The fact that the merchants and bankers of northern Italian city-states did not force the poorer inhabitants to bear the burden of military affairs also needs an explanation. This had a lot to do with the changing nature of wars. The self-protection of the militia was fit for protecting a ship, a town or a city. Yet this was not an efficient strategy if campaigns were lengthier and if they were taking place in far away locations. In the late 14th century, as inter-city-state wars intensified, the locations of the battles were getting further away from the cities. But "civic militia could not permanently garrison border strong points located as much as fifty miles from the city itself, since militiamen could not afford to stay away from home for indefinite periods of time" (McNeill, 1982, p. 73).

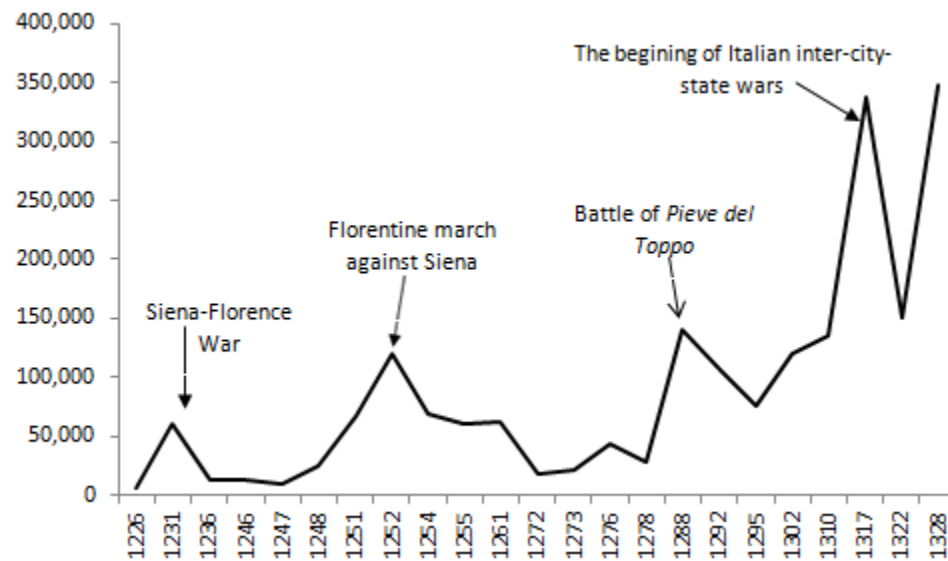
There was a second and more important reason. After the 14th century there was an escalation in class struggles, revolts and revolutions in the northern Italian city-states and communes. This was mainly related to the increase in indirect taxes, "forced loans", unemployment, various processes of "accumulation by dispossession" and increasing inequality among different classes as we will explain in more detail below. These increasing tensions made it more and more "difficult for rich and poor to cooperate wholeheartedly, whether in military or civil affairs" (McNeill, 1982, p. 73). It was more

than that: increasing social unrest, rebellions, revolts that were raging all over the century made rich merchants and bankers of Italian city-states realize that their poorer co-habitants were no longer reliable for the task of protection. In this period all states prohibited the carrying of weapons. Using swords or knives was allowed for merchants' self-defense when traveling, yet peasants were limited to their tools (Najemy, 2004, p. 196). As Mattingly (1988, p. 49) puts it, the customary allegiance of the citizens could no longer be counted on. For protection and war-making, merchant companies, who were much more efficient and relatively more obedient, were required.

Fiscal Pressures, "Forces Loans" and Public Financing

This, of course, solved the problem of protection by creating another problem: "by the fourteenth century, war had also become cripplingly expensive" (Hyde, 1973, p. 183). The change in the annual expenditure of the Siena Commune - which is one of the few communes whose expenditure records survived until today - may reveal the pressure of war in annual expenditures (see Figure III-2). It is true that the rise in annual expenditures of the commune has always correlated with wars. Yet, starting from 1300s, the intensity of the pressure that wars put on expenditures becomes quite stark.

Figure III-2: Annual Expenditure by the Siena Commune, 1226-1328



Source: Annual expenditure of the Siena Commune is taken from *The Italian City-Republics*, (to the nearest 100 L). Waley (1988, p. 51). In Waley's table, the expenditures for years 1236, 1246, 1248, 1252, 1255 and 1261 were only available for six months. In order to make the figure comparable across years, we multiplied these numbers by two.

The same pressure can also be seen in the case of Florence. In 1266, the Commune of Florence, by paying approximately £35,000 a month, was able to mobilize an army of 16,000 men through *ad hoc* agreements from their city alone. In 1338, however, during the war against Della Scala of Verona, the Florentine commune did not mobilize its army from its own citizens, but instead, it "assumed the role of paymaster for many allied troops besides its own" which, according to Giovanni Villani's estimates, cost around £1,860,000 (600,000 gold florins) for a period of eighteen months (Hyde, 1973, p. 183). In other words, the cost of war per month almost tripled.

[This amount] was a staggering figure, as the chronicler was proudly aware; it is unlikely that any other city could have shouldered a burden of this weight. The effect of expenditure of this order on communities lacking the wealth of Florence can only be imagined (Hyde, 1973, p. 183).

As Giovanni Villani was very well aware, besides Florence, in the North there were not many city-states who could keep up with this race. Except for Genoa, Milan and

Venice, other city-states did not have much of a chance to compete under such circumstances (see Table III-3). In the course of the 14th century, wealth inequality between northern Italian cities and communes increased much faster than ever.

Table III-3: Relative Wealth of Chief Northern Italian Cities in 1311

Northern Italian Cities	Gold Florins
Genoa	40000
Milan	29760
Venice	28800
Padua	20000
Brescia	14400
Verona	13740
Cremona	13120
Asti, Bergamo, Parma	10800
Treviso	10000
Piacenza, Pavia	9020
Mantua	9000
Como	8280
Vercelli	7200
Vicenza	6800
Modena	6000
Novara	5760
Reggio	4000
Lodi	3600
Tortona	1160
Chieri, Trento, Mq. Montferrat	1000

Source: Hyde (1973). Hyde (1973, p. xxii) explains the logic of the table as follows: "In February 1311 Henry of Luxemburg tried to impose a tax on his Italian kingdom north of the Apennines to his Vica-General, Amadeus V of Savoy, his staff and a standing army of 1500 cavalry. An annual sum of nearly 300,000 florins was divided among some fifty Lombard cities and territorial magnates. Although political factors may have influenced some of the bargains made, and there is no reason to doubt that the figures do represent, in a general way, what Henry's advisers believed the various cities and lords could reasonably pay. The assessment is the best source for the relative wealth of the Lombard cities that we have".

The cost of inter-city-state wars constantly increased fiscal strain on these city-states. Historically these communes did not use "direct taxation" as a means of public financing (Martines, 1988, p. 177; Najemy, 2004, p. 201; Hay & Law, 1989, pp. 100-101). Rich merchants, bankers and magnates of these Italian communes refused to pay direct taxes; and when direct taxation was implemented against their will, they often reacted to these policies. In cases of emergency, some of these communes levied a temporary property tax but this was also a very uncommon practice (Martines, 1988, p.

176). Unable to use direct taxation, public financing of these communes was based on two policies: First was the practice of indirect taxation. There was a sales tax known as *gabelles* on a long list of items. This indirect taxation covered the basic expenses of the commune. And the second practice was "voluntary loans": Citizens of the communes - especially shipping magnates, big merchants and bankers - made loans to the commune in return for a considerable amount of interest. The rate of interest could fluctuate from 12 percent to 60 percent based on the needs of the communes (Martines, 1988, pp. 175-178).

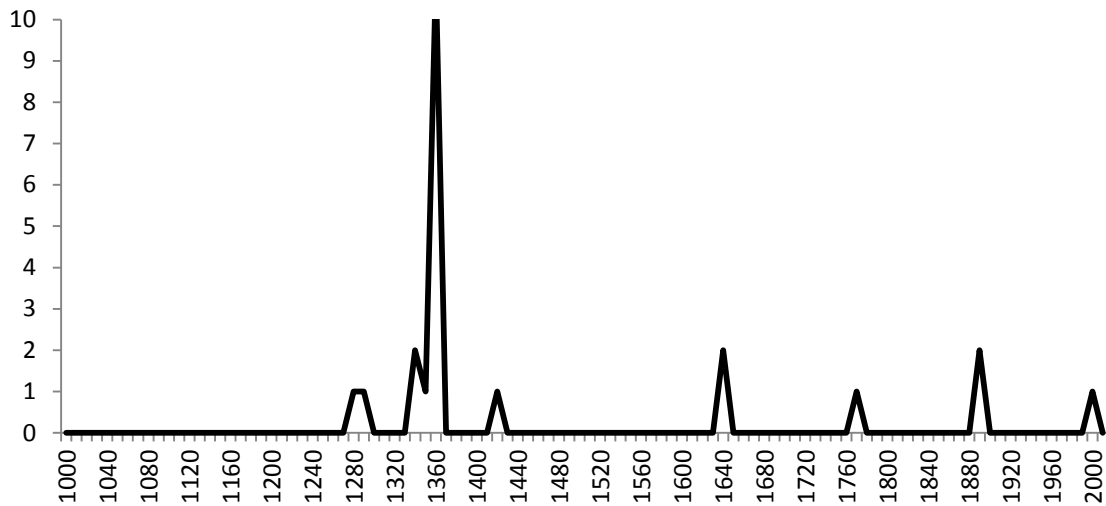
When the limits of the material expansion were reached, the decline of trade activities and rising expenses due to wars increased spending but decreased revenues of these communes. Under fiscal pressures these communes invented a system known as "forced loans" (Martines, 1988, p. 177; Najemy, 2004, p. 201; Hay & Law, 1989, pp. 100-101). To borrow money, the government started to impose mandatory loans on citizens with a promise of interest. Because this practice grew out of voluntary loans, it was initially imposed on the wealthier citizens but soon it was expanded: "Even beggars were sometimes made to cough up a few forced-loan shillings (*soldi*)" (Martines, 1988, p. 180).

Escalation of the Class Struggle and Territorial-Colonial Expansion as a Solution

These policies, of course, created a strong wave of resistance and led to the intensification of class struggle. This is how the crisis of the 14th century created a strong wave of class struggle in North Italy. Forced loans were one of the main reasons behind the protests, revolts and revolutions in the Italian peninsula. An examination of the total number of years with tax revolts -which includes resistance against direct taxes, indirect

taxes and "forced loans" - from 1000 to today reveal the uniqueness of this period (1270 and 1420) in Italy (see Figure III-3, below).

Figure III-3: Total Number of Years With Tax Revolts in a Decade, in Italy, in 1000-2000



Source: Author's calculations from Burg (2004)

These anti-tax revolts started in the late 13th century. The popular opposition of Florentine citizens in 1289 against forced loans, which were paying the costs of the prolonged war against Arezzo and Pisa, was one first successful examples of these revolts (Becker, 1967, p. 70; Burg, 2004, pp. 93-94). In the fourteenth century, such oppositions became very common and sometimes very rebellious, as the example of 1343 revolution illustrates. In 1341 the Council of the Florentine Commune rejected a direct tax on urban land and capital, known as *estimo*, forcing the *seignior* to impose forced loans instead of direct taxes (Becker, 1967, p. 133; Burg, 2004, p. 112). Two years later, when the new lord of the city tried to enforce a new *estimo*, "several thousands of wool workers [marching] through the streets of Florence shout[ed]: 'Long live the worker! Death to the rich! Down with *gabelles*!'" (Becker, 1967, pp. 170-171) and took Walter from power (Becker, 1967, pp. 164-171; Burg, 2004, p. 121).

The main actor of the 1343 revolution was the lower classes, *popolo minuto*, who did not have any status or political rights. Many of the *popolo minuto* were cloth manufacturers. On the eve of the great financial crash (of 1338), we know that more than 30,000 people lived by wages paid out by the cloth manufacturers in Florence. This was almost thirty percent of Florence's overall population (Arrighi, 2010, p. 103). After the great crash, as cloth production declined and taxes increased, Florentine cloth workers and other segments of *popolo minuto* developed a strong sense of solidarity, established conspiratorial organizations and started to struggle for their right to establish guild-type organizations. When some of these groups gained the right to establish a new guild - such as when the dyers of Florence managed to become the 22nd guild in the city in 1343 -, this encouraged the mobilization of other segments of the *popolo minuto*. Thus "[f]rom 1342 until 1382, petty craftsmen, small manufacturers, shopkeepers and artisans repeatedly sought full political rights, which of course led to agitation for new *arti* [guilds]" (Becker, 1967, p. 166). In the 1340s many of these movements were crushed and the organizers of these movements were hanged (Brucker, 1972). Yet these movements did not stop, on the contrary they grew⁴.

In 1378 these unskilled workers, especially cloth-workers, vegetable sellers and various vendors carried out an insurrection demanding political recognition together with other segments of the *popolo minuto* and made the well-known *Ciompi Revolution* (Cohn, 2006, p. 97; Merriman, 1996, p. 58). With the *Ciompi Revolution* of 1378, impoverished cloth-workers managed to seize state power and put a wool-comber -

⁴ After all, these groups were the primary losers of the environment created by wars, the plague and the taxes. Furthermore, and not surprisingly, the rise of indirect taxes in this period did not accompany an increase but a decline in the wages of these unskilled workers (Brucker, 1972, p. 157; Ronciere, 1968).

Michele di Lando - at the head of the republic's government (Arrighi, 2010, pp. 103-104; Cox, 1959, p. 153; Cohn, 2006, pp. 177-180). This - according to some scholars - was a dictatorship of the proletariat (James, 1947). However this proletarian revolt was countered by a large lock-out by the employers, "which transformed rebellious workers into a mass of hungry idlers" (Arrighi, 2010, p. 104)

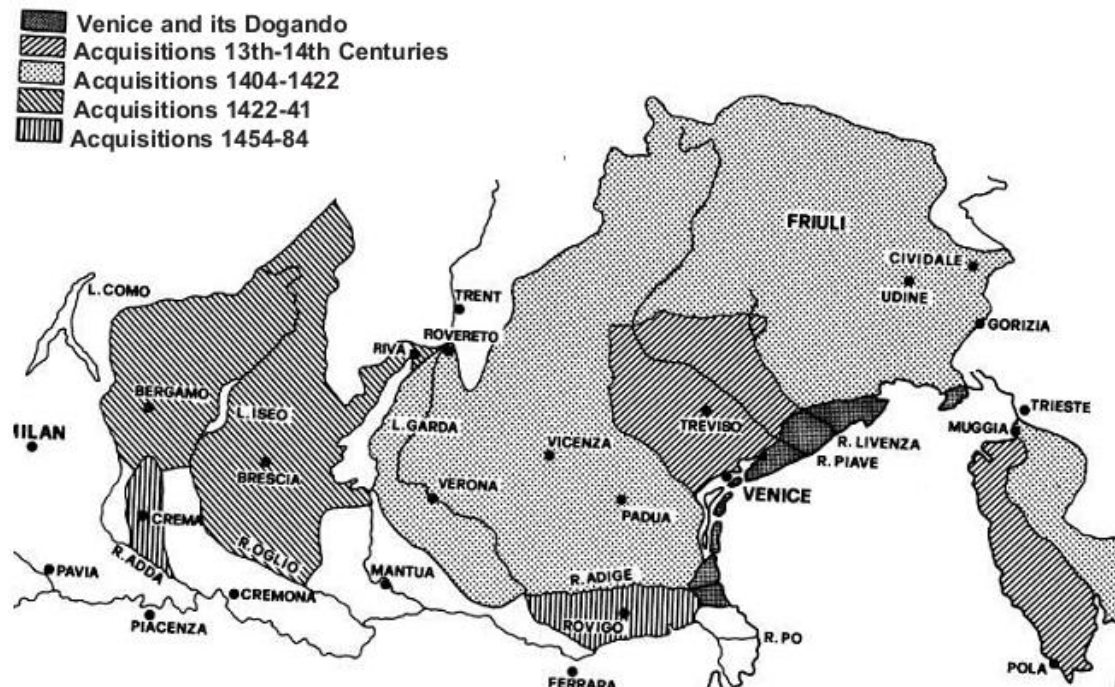
Florence was not the only place where struggles of the lower classes intensified in this period. Between 1360 and 1370, the Venetian salt makers, who are known as the "poorest and the most despised of all occupational groups", repeatedly revolted and tried to move to other mines as a means of evading Venetian taxes (Burg, 2004, p. 121). In Genoa, the post-1348 period saw a rapid increase, may be the highest in the peninsula, in the number of peasant revolts and uprisings, some of which were overwhelmingly political in character. On many occasions, peasants invaded cities, called other artisans and commoners to join their forces with cries of "*Vivat il popolo!*", "Long live the people, down with the city's taxes" and "Death to the *gabelles*" (Cohn, 2006, p. 43). Similar movements in which peasant armies invaded cities occurred in Parma in 1308 and in Bologna in 1334. Yet in the fourteenth and early fifteenth centuries the most commercially developed cities of northern and central Italy, especially Florence, Ferrara, Milan, Parma, Bologna and Friuli, were the locations of these sorts of peasant rebellions (Cohn, 2006, pp. 44-49).

Popolo minuto and peasants calling themselves *popolo* were not the only source of unrest either. Another important source of unrest, in this period was the *popolo grosso*. These rich inhabitants of towns and cities, including bourgeoisie, attacked aristocratic oligarchies, governments of magnates, local ruling viscounts and counts in order to gain

or regain self government, to regain their threatened liberties such as prerogatives to set and collect their own taxes. These movements aimed to preserve or regain their existing rights and privileges and they mainly occurred in the larger city-states of central and northern Italy such as Rome, Florence, Bologna, Genoa and Parma (Cohn, 2006, p. 76). In short, with the end of the material expansion period, there was an explicit rise in the intensification of "class struggle" in northern Italian city-states.

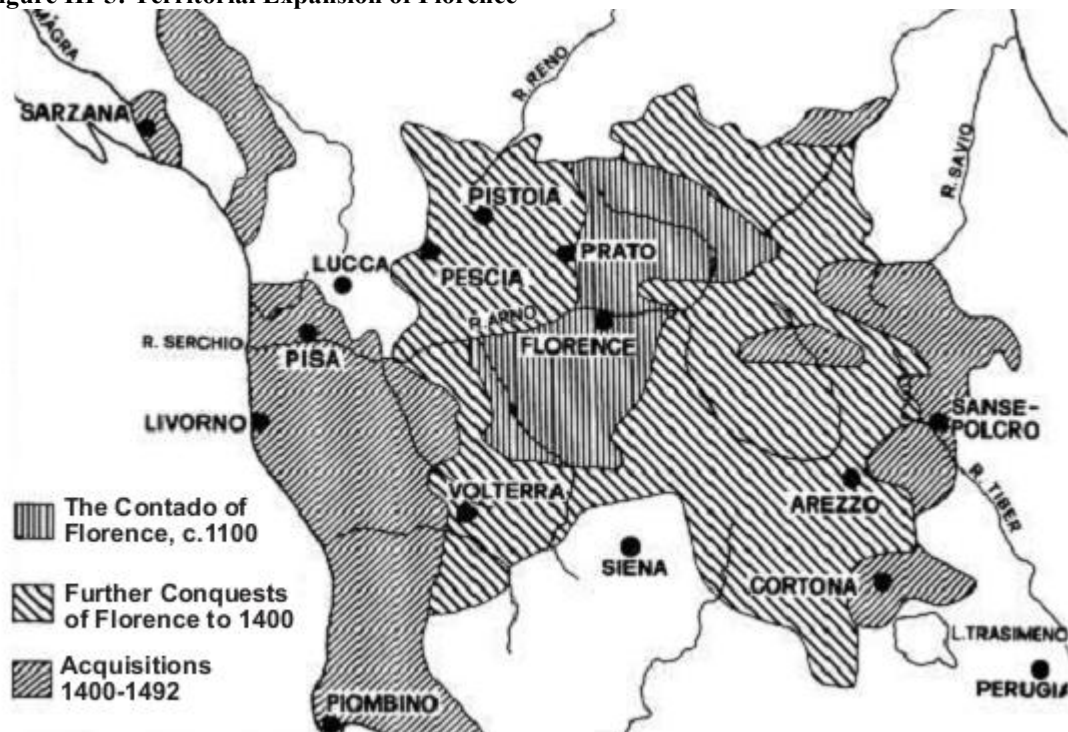
In this period public debts of all communes increased dramatically. The Florentine Republic's debt, for instance, rose from 1/2 million florins in 1345 to 3 million florins in 1395 and to 4 million florins in 1433. Around the same period Venetian public debt rose from 3 million to 5 million ducats (Hay & Law, 1989, p. 99). And these communes were not able to pay back interest to their citizens. In the absence of the option to impose direct taxes, stronger city-states attempted to solve this problem by expanding their territories and creating "subject populations" on which they could impose direct taxes. These new territories would provide them with a resource of income, easier access to food supplies, raw materials, markets and trade routes which would stimulate their economies (Hay & Law, 1989, p. 113; Najemy, 2004, p. 201; Martines, 1988, p. 185). This colonization attempt also aimed at pre-empting rivals, providing citizens with new opportunities for investment and - thus - easing increasing social conflicts as well (Hay & Law, 1989, p. 113). If they wanted to avoid civil war, they had to be imperialists. Italian city-states discovered this formula long before Cecil Rhodes did.

Figure III-4: Territorial Expansion of Venice



Source: Hay & Law (1989, p. 358)

Figure III-5: Territorial Expansion of Florence



Source: Hay & Law (1989, p. 357)

This territorial expansion started in the 1330s (Venice had held Treviso between 1339 and 1381) but it accelerated rapidly after the 1380s. By 1430 Venice had acquired Trevisio, Istria, Treviso, Vicenza, Verona, Padua, Friuli, Brescia and Bergamo. In the same period, Florence conquered Prato, Pistoria, San Gimignano, Volterra, Arezzo, Montepulciano, Pisa, Cortona, Livorno and Sansepolcro (Hay & Law, 1989, p. 112; Najemy, 2004, p. 193; Martines, 1988, p. 185).

This conquest of neighboring lands, towns, communes and cities created a double standard. "To threaten the political independence of Florence, Venice or Milan was an intolerable outrage in the eyes respectively of Florentines, Venetians or Milanese. But when they took over a lesser state, as when Venice grabbed Padua or Florence "bought" Pisa, they viewed this acquisition as an act of defense, a safeguarding of vital lifelines, or a restoration of peace and order" (Martines, 1988, p. 185). These dominions were not given any rights or liberties. They were "governed as subject territories with no right of representation or participation in the councils of the dominant states, which controlled security, defense, criminal justice, and taxes" (Najemy, 2004, p. 193).

Independence Movements of the City-States, Free Communes and Towns

This imperative for "territorial" and "colonial" expansion also produced a backlash. Between 1340s and 1440s, there was an intensification of movements what Cohn (2006, pp. 86-88) classifies as "revolts against territorial dominance" and "colonial revolts". Both of these movements were created by subject cities, villages and towns as a reaction to territorial and colonial expansion of communes, especially that of Genoa, Venice, Florence, Siena and Bologna. In the territories of Genoa and Venice, who mainly

expanded overseas, these struggles took the "anti-colonial" form; whereas in the territories of Florence, Siena and Bologna they took the form of "revolts against territorial dominance". These two forms of reactions were the first instances of state-seeking movements in an age of financial expansion.

It was very difficult for subject cities and communes to directly challenge their new rulers because of their smaller size and resources. But inter-city-state rivalry among greater cities and insurrections within ruling cities provided immense opportunities. Precisely for this reason, most of revolts of the subject cities and communes occurred during a major upheaval within the ruling city, or when the ruling city engaged in a war with another great-power. Sometimes, these subject towns or cities carried the symbols and flags of the enemies of their rulers (Cohn, 2006, pp. 86-87). For instance, in 1355 Siena's dependent towns Casole, Massa Marittima, Montalcino, Montepulciano and Grosseto rebelled right after the fall of the Nine regime in Siena. Similarly dependent towns of Nine, such as Massa, Magliano, and Montepulciano revolted right after the Black Death, and Massa revolted twice again; once in 1368 after the political turmoil in the capital city and again in 1378 (Cohn, 2006, p. 87). Cohn estimates that as many as 282 villages rose up against Florence in the years 1402-1404, which corresponded to the war between Milan and Florence. In the same time-period, many villages under Bolognese rule (such as San Giovanni in Percieto, Minerbio near Modena, Poggio Renatico on the borders with Ferrara, Castello d'Argile and Sant'Agata in the northern plains of Bologna) rebelled against Bolognese rule carrying the flags of their enemies and chanting "the *popolo*, the guilds, and liberty" (Cohn, 2006, pp. 86-87).

In some cases, the revolts were directly triggered by the efforts to squeeze more taxes from these colonies to pay the imperial defense. For instance, a couple of years after the Venetian-Genoese war, in 1363, a revolt erupted in Crete when Venice wanted to increase taxes. Ethnicity or language did not play a role in these struggles. "Venetian fief holders and Greek magnates fought side by side" (McNeill, 1974, p. 67). Trieste not only rejected to pay the annual tribute to the Venetian doge but also refused "to raise the flag of St. Mark, which they were obliged to fly on the principal feast days in their main square" (Cohn, 2006, pp. 87-88). Various similar popular revolts against Venetian rule were common in Corsica or Zara.

It is very difficult to provide a reliable measure for the number of revolts of subject cities against their master. What we know is that from the mid-14th century to the mid-15th century, there was a rapid intensification in the revolts of subject cities. It is not possible to say that all revolts were economic in character. Indeed there is evidence that some of the economies of subject cities - such as Pescia under Florentine rule (Brown, 1982, p. 60) - even grew under foreign rule. The dynamics of secession had more complex causes. Writing in early 16th century, a Florentine philosopher, Nicollò Machiavelli, investigated this theme very carefully. Trying to answer which provinces were more likely to rebel, Machiavelli underlined that if these provinces previously used to be "free communes" or "free republics", they were more likely to rebel:

When cities or provinces are used to living under a prince, and the family line of that prince has been extinguished, being on the one hand used to obeying while on the other not having their old prince, and not able to agree on a choice of one from among themselves, yet not knowing how to live in freedom, they are, as a result, slower in taking arms, and a prince can, with greater ease, win them over and find security in them. But in the case of republics there is greater life, greater hatred, more desire for revenge; the memory of their ancient liberty will not and cannot allow them to rest; so that the surest way is to destroy them or take up residence there (Machiavelli, [1532] 1964, p. 39).

Thus according to Machiavelli, if a sovereign conquered a city which "tasted freedom" before, in order to "contain" the "revolts" he had three choices. He could try to "go there in person and start to reside" in that city. In this case, this city will be the new capital, thus the most prestigious location of all his possessions. This was a bribing strategy. As a second choice, he could "let them live by their own laws". In other words he could leave these cities autonomous to "reduce their demand for separate statehood". But these were all temporary solutions because

"the truth is that there is no sure way of keeping possession of them [formerly free cities which used to live by their own laws], except by demolishing them. And whoever becomes master of a city accustomed to living in freedom and does not destroy it may expect to be destroyed by it; because this city can always have refuge, during a rebellion, in the name of liberty and its traditional institutions, neither of which, either with the passing of the time or the acquiring of benefits, are ever forgotten. And no matter what one does or provides for, if one does disunite or disperse the inhabitants of such a city, they will not forget that name or those institutions, and immediately, in every case, they will resort them, just as Pisa did after the hundred years that it had been held in servitude by the Florentines" (Machiavelli, [1532] 1964, pp. 37-39).

What Machiavelli meant was there was not a certain way of containing the resistance of these cities forever, except by demolishing and ruining them altogether.

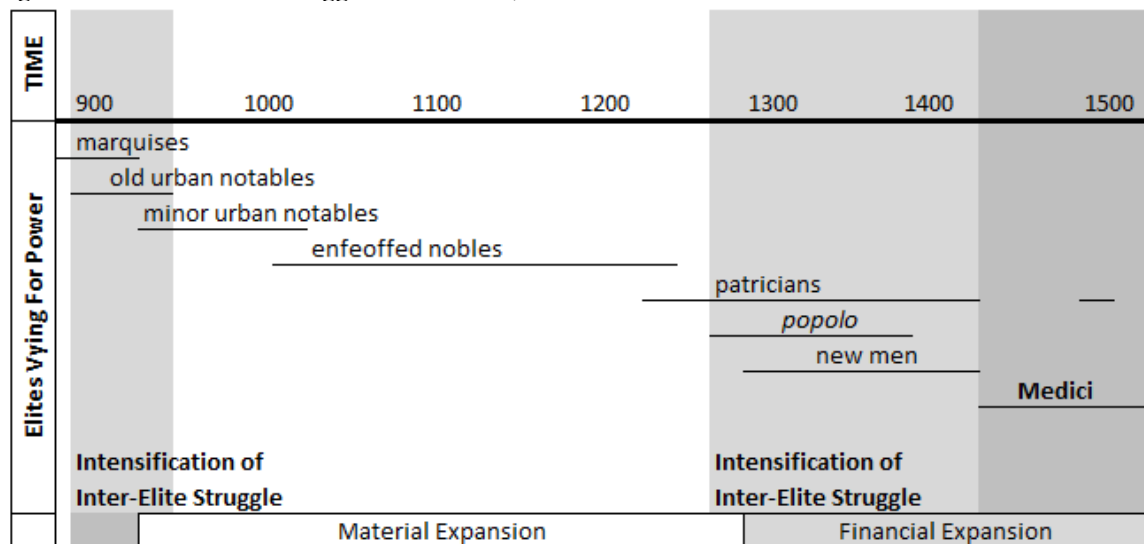
From Chaos to Order: Birth of a New Form of Patriotism

The turbulence of the 14th and early 15th century was not created by *haute finance*. Neither the economic crisis nor the inter-city-state wars were its products. However it was the possessors of finance capital who benefited most from this turbulence. When productive activities declined they financed wars among Italian city-states and communes; together with the territorial expansion of larger city-states they consolidated their surplus and capital as well. When the "Italian Hundred Years' Wars" in mid-15th century and balance of power in the northern Italian peninsula was settled with the "Peace of Lodi (1454)" there was a new order in the system. To understand this

new order, we must first look at simultaneous transformations that occurred in the peninsula from 1300 to 1450s.

Looking at the political systems of these communes and city-states from the late 13th to the mid-15th centuries, one would realize that "by 1320 most of the cities no longer had republican governments of the merchant families but had drifted toward either rule by a single family or a closely controlled oligarchy" (Ponting, 2000, p. 474). As we have underlined before, the political instability of the 14th century also intensified inter-elite struggles within these communes. Different segments of the nobility, segments of *popolo grasso* (also lower segments of the societies including *popolo minuto*) struggled for state power. Figure III-6, illustrates the elite groups vying for state power in Florence from 900 and 1500, which marks the intensification of elite-struggles during the early financialization epoch and the emerging stability after the 15th century.

Figure III-6: Inter-Elite Struggles in Florence, 900-1500



Source: Inter-elite struggle figures are reconstructed from Lachmann (2000, p. 60).

In most of the city-states and communes what happened after the 15th century was - in Marx's phrase - the alienation of states to moneyed-interests. In other words,

financial interests took over each great city-state. This transformation occurred when it became apparent that communes would not be able to pay interest (and principle) due on "forced loans" back to its citizens. This simple fact required the restructuration of the administrative apparatuses of existing city-states (Martines, 1988, p. 179). In 1407 Genoa's public revenues and public administration were put in the hands of the *Casa di San Giorgio* (The Bank of St. George), in the 1430s the Florentine government was taken over by the Medici family, in Milan the dual treasury developed close ties with the city's big business and financial families (Arrighi, 2010, p. 93; Hay & Law, 1989, pp. 99-119; Martines, 1988, p. 179). And Venice, in this period, became the ideal-type of the state as exemplified in the *Communist Manifesto*, whose executives turned into nothing but "a committee for managing the common affairs of the whole bourgeoisie" (Arrighi, 2010, p. 38).

Organization of the Modern State as a Commercial Enterprise

This take over could not be sustained without a new form of state organization: It required new instruments and a bureaucratic state apparatus. Financial management of these city-states required intensive ongoing surveys of the city. Venetians invented a financial surveillance system and Florentines developed into the greatest work of art in the history of finance, the *catasto* survey (Hay & Law, 1989, p. 99). City-states were being administered as commercial companies with very sensitive cost-benefit analyses. None of these could have been sustained with the amateur *ad hoc* workers of the earlier era. Gradually the part-time civic employment system, which had long been the essence of the communes and city republics, was replaced with a body of full-time bureaucrats. This centralization and bureaucratization was the key for financial strength; and this

financial strength could easily be exchanged with military and political strength. As McNeill observed in the case of Venice:

efficient financial management was, in fact, the real secret of [...] military and political power. [...] The state was run like a business firm, with skilled clerks to keep the books directed by magistrates who were themselves accustomed to working within limits set by debits and credits entered in a ledger (McNeill, 1974, p. 72).

As Hyde (1973, p. 187) wrote, "in the political sphere too, the early decades of the fourteenth century can be regarded as the end of an era". The financial revolution that marked the birth of capitalism as a historical system coincided with another revolution in the political atmosphere of the Italian city-states, which is the birth of modern bureaucracy, or to put it in another way, the birth of the modern state (Chabod, 1964; Schiera, 1996). In Perry Anderson's words, "basic instruments of secular state-craft and aggression [...] - fiscal impositions, funded debts, sale of offices, foreign embassies, espionage agencies - all these were pioneered in the Italian city-states, in a kind of reduced-scale rehearsal of the great international state-system and its conflicts to come" (Anderson P. , 1974, p. 162).

Organization of Protection and Violence

The take-over of these city-states by financial interests occurred in a time of social and political upheavals. And these conflicts showed that voluntary unity would no longer keep these organizations together. Thus one of the first task of the "moneyed-interest" was to provide security and order within its territories. For these reasons, they decided to use a classic carrot and stick strategy which they knew since the Roman times: "the poor would be fed, and those with evil intensions would be deterred" (Brucker, 1972, p. 174).

Neither providing deterrence nor feeding the poor was easy. Experience of the inter-elite and class struggles of fourteenth century revealed that armies composed of citizens, uncontrolled masses and private companies were highly unreliable. As the Florentine statesmen Antonio Alessandri put it in a public debate in June 1417, they needed troops - neither citizens nor *contadini*- who will obey the communes and not private individuals (Brucker, 1972, p. 173)⁵. This is how a transformation in the organization of protection and war-making started.

By the 1380s, self constituted "free companies" had already disappeared and by the early fifteenth century city-republics had already started to make long-term contracts with the same captains instead of making short-term contracts with different captains. In the late fifteenth century, civil officials of the new bureaucracies started to make contracts with smaller and smaller military units themselves (McNeill, 1982, pp. 74-75). As McNeill (1982, p. 77) wrote not only did this process provide a stabilization and standardization of personnel but also "civil officials thereby acquired a far greater control over the state's armed forces, since they now appoint whomever they wished to command an appropriate number of assembled lances." This whole process of subordination accompanied the (quasi)monopolization of the use of legitimate violence by the newly organized states.

"The entire evolution, indeed, may be viewed as a development from a nearly free market (when blackmail and plundering defined protection costs by means of innumerable local "market" transactions) towards oligopoly (when a few great captains and city-administrators made and broke contracts), followed by quasi-

⁵ Alessandri's concerns were well-grounded as the Milanese example of 1450 proved, when a *condottiere* named Francesco Sforza took power of the city. Based on these examples, years later, Machiavelli also underlined that "mercenaries and auxiliaries are useless and dangerous: and if one maintains his state by means of mercenary troops, he will never be strong or safe; for they are disunited, ambitious, without discipline, unfaithful" (Machiavelli, 1964, p. 100).

monopoly within each of the larger and better-administered states into which Italy divided" (McNeill, 1982, p. 77).

In other words, this whole process led to the establishment of the modern state in the Weberian sense.

Organization of Consent-Production: A New Patriotism?

These new communes and city-states were no longer horizontally-linked communities bound together through periodically repeated reciprocal oaths. One could also no longer enter or leave these cities as one wished. This involuntary unity provided a major problem for existing city-states because

[T]he state, depending for its survival on power, was compelled constantly to seek more power. It was ruthless to anomalies and inconsistencies which a more stable, traditional authority might have seen with indifference. And it widened its boundaries when it could. Because the state (that is, the government) could not count on the automatic, customary allegiance of its citizens, it had to win and hold that allegiance by intensifying the community's self-consciousness. It had to serve, or appear to serve, at least some of the interests of at least some of its people (Mattingly, 1988, p. 49).

For many segments of the upper classes, allegiance to the new states might have been relatively easy. "In the course of the fourteenth century" writes McNeill "enough citizens concluded that taxes were preferable to being plundered" (McNeill, 1982, p. 74). But considering the large masses in general, one can understand how difficult this issue was. Surprisingly, however, historians who examine these city-states in the 15th and 16th centuries do not see a disunity but a growing sense of pride and patriotism. Indeed, when many historians refer to patriotism in Italian city-states, they refer to this period of history, not the earlier epoch. Among all these great city-states, Venice is often given as the primary example. How was this unity achieved then?

"The key note of the Venetian character [in the 15th century] was", Burckhardt says, "a spirit of proud and contemptuous isolation, which, joined to the hatred felt for the city by the other States of Italy, gave rise to a strong sense of solidarity within" (Burckhardt, 1960, p. 81). Burckhardt emphasizes the role of geographical isolation and the inter-city-state rivalries in the creation of unity in Venice. Although these factors might have played a partial role in the surprising unity, the real success of Venetian unity lied somewhere else. As Burckhardt also mentions in passing;

The inhabitants were thus united by the most powerful ties of interest in dealing with both the colonies and the possessions on the mainland, forcing population of the latter, that is, of all the towns up to Bergamo, to buy and sell only in Venice (Burckhardt, 1960, p. 81).

As Burckhardt mentions, its relationship with the colonies was the key in consolidating Venetian society. Venice's aggressive colonial policies created a monopoly of trade which benefited merchant-bankers of Venice. These policies also provided an additional surplus, which in return provided "a broad enough distribution of wealth within the Venetian polity to sustain a vivid patriotic consciousness up and down the social scale" (McNeill, 1974, p. 64). This was how the consent of the middle classes and masses was produced. This redistribution was an important mechanism which linked the poor, the middle classes and the new leaders of the 'moneyed interest' to the newly emerging states. As McNeill observed;

[Although] Venetian taxation was heavy and in the provinces it often seemed oppressive, [...] within the city itself [...] the tax patterns actually helped the poor - assuring relatively cheap food for instance; and insofar as Venetians enlisted in the armed services or held other jobs with the government, the tax system acted as a redistributor of income within the city" (McNeill, 1974, p. 72).

In terms of redistribution Venice has a long list of achievements. "Care for the people, in peace and as well as in war, was characteristic of the Venetian government,

and its attention to the wounded, even to those of the enemy, astounded other States. Public institutions of every kind could find their model in Venice; the pensioning of retired servants was carried out systematically, and even included a provision for widows and orphans. Wealth, political security and acquaintance with other countries had matured the understanding for such questions" (Burckhardt, 1960, p. 79). These provisions, however, were not possible without converting their former neighbors into their colonial subjects. In other words, order in cities were provided through bringing chaos to the colonies; unity within the cities were achieved through subjugation of former neighbors.

These policies of consent-production were also backed with a practice of conspicuous consumption of cultural products, which, in return, boosted the pride of Venetian citizens. With opportunities for profit-making in trade in short supply, utilization of surplus capital for investments in the arts became common in Venice and in other "Renaissance" cities of North Italy. The reasons for the emergence of this "Age of Renaissance" as a symbolic superstructure of the era were diverse:

In part, the conspicuous consumption of cultural products was a direct result of the adverse commercial conjuncture which made investments in the patronage of the arts a more useful or even a more profitable form of utilization of surplus capital than its reinvestment in trade. In part, it was a supply-driven phenomenon associated with the invention of mythical collective identities as means of popular mobilization in inter-city-state warfare. And in part, it was a direct result of the struggle for status among competing factions of merchants whereby 'building magnificently' became a strategy for distinguishing some families from others (Arrighi, 2010, p. 96).

Products of "the Renaissance" were not only an additional source of pride and prosperity for the citizens of these city-states, but they also became an industry through which mythical collective identities and traditions were invented. These "invented traditions" provided an alternative to the Christian Saints which represented communes

during the 1000-1300 era. Now cities assumed Greco-Roman roots instead of Christian ones. In the eyes of nationalist theorists, this reinvention seemed to be a "self-realization" of their ancient roots (Panofsky, 1960, pp. 6-7; Smith, 1971, pp. 268-269). From our perspective, however, this was a symbolic representation of a regime turning upside down after the dissolution of the social and political formations that created it in the first place.

Together with the emergence of fewer, larger and more powerful political organizations in place of communes with fuzzy boundaries and amateur organizational capacities; and together with the rise of class conflicts and inter-elite struggles, new tools for state-building activities were necessary to coordinate these citizens. Material benefits provided through colonies and redistribution mechanisms were part of these new state-building activities. And as Arrighi reminds us "so far as the *system* of city-states is concerned, the conspicuous consumption of cultural products was [also] integral to the state-making process, that is, to the reorganization of the northern Italian capitalist enclave into a system consisting of fewer, larger and more powerful political organizations" (Arrighi, 2010, p. 96). Although we took Venice as our example, these state-building activities were also used by the rulers of other city-states in the 15th and 16th centuries.

Reprise and Preview

In this chapter, we explained how the distinct form of state-society relationship which emerged during the "material expansion" period (1000-1300) of the North Italian city-state-system changed during the "financial expansion" period (1300-1500). The

increase in the inter-city-state rivalry, rising social inequalities and class struggle, need for centralization and territorial expansion emerged as key factors that gave rise to state-seeking movements of formerly free and autonomous city-states and communes in this historical epoch. We also discussed how the need to "contain" emerging social and political unrest contributed to the creation of a new "patriotic" order in this age of financial expansion, which was very different from the "patriotism" that emerged during the material expansion period. Although the changes and transformations we observed in the state-society relationships, and processes and mechanisms that led to the rise of state-seeking movements occurred in a very limited geographical area and within the context of very peculiar political organizations, they constituted the first examples of the dynamics we will observe in the *longue durée* of historical capitalism, albeit in an embryonic form.

IV. "RELIGION IS A SIXTEENTH CENTURY WORD FOR NATIONALISM": NATIONALISM DURING THE GENOESE-IBERIAN SYSTEMIC CYCLE

In Chapter III, we examined the dissolution of patriotism of the northern Italian medieval communes and the emergence of a new form of state-society relationship during the financial expansion period of the 14th century. Although Venice was the ideal-type example of this transformation, similar processes - in different degrees - were also observed in Florence and Milan. But nothing similar took place in Genoa¹.

Rather than following the paths of Venetian, Florentine or Milanese examples, which were investing heavily in *state-making* activities in the 14th century, the Genoese moved in the a direction of *market-making* activities (Arrighi, 2010, p. 112). Especially after their defeat in the Black sea against the Venetians, the Genoese merchant-traders realized that market-making along the Central Asian routes would not be possible. Thus leaving the Eastern Mediterranean and Black sea coasts to the Venetians (and to the Ottomans), the Genoese focused on the Western Mediterranean coasts, which were under the control of the Catalan merchants of the Aragonese Kingdom (Arrighi, 2010, p. 117). The Genoese started to struggle against Catalan power by the mid 14th century, outmaneuvered them and became *the* merchant-bankers of the peninsula by the mid 15th

¹ As Arrighi noted "[t]he takeover of Genoese public finances by the private creditors [...] did not mark the beginning of the takeover of the Republic's government by moneyed interests and of an ever-increasing diversion of surplus capital to state-making activities, as in different ways was happening in Venice and Florence" (Arrighi, 2010, p. 112).

century. As the Genoese merchant-bankers penetrated into the Iberian markets, they also established a solid alliance with the Kingdom of Castile, which contributed to the change of balance of powers in the peninsula (see Appendix A for the role of the Genoese merchant-bankers in the state-making activities of the Iberian Peninsula).

Borrowing the term from Schumpeter, Arrighi (2010, pp. 122-123) argues that the Genoese merchant-bankers and the Spanish rulers engaged in a mutually beneficial "political exchange" starting from the mid fifteenth century on. Through this "organic" relationship, the Genoese merchant bankers were able to externalize their protection costs under the protection of the Iberian rulers. Iberian rulers, in return, utilized the fruits of expanding Genoese capital under their territories for their state-building strategies. In *The Long Twentieth Century*, Arrighi examined the consequences of this "political exchange" mainly from the perspective of capital accumulation. From Adam Smith ([1776] 1976) to Karl Marx ([1867] 1992), many classical political economists and their critics also underlined the critical role of this period for the development of capitalism. The "discoveries" of the *Americas* and the *Cape of Hope* were all products of this "political exchange".

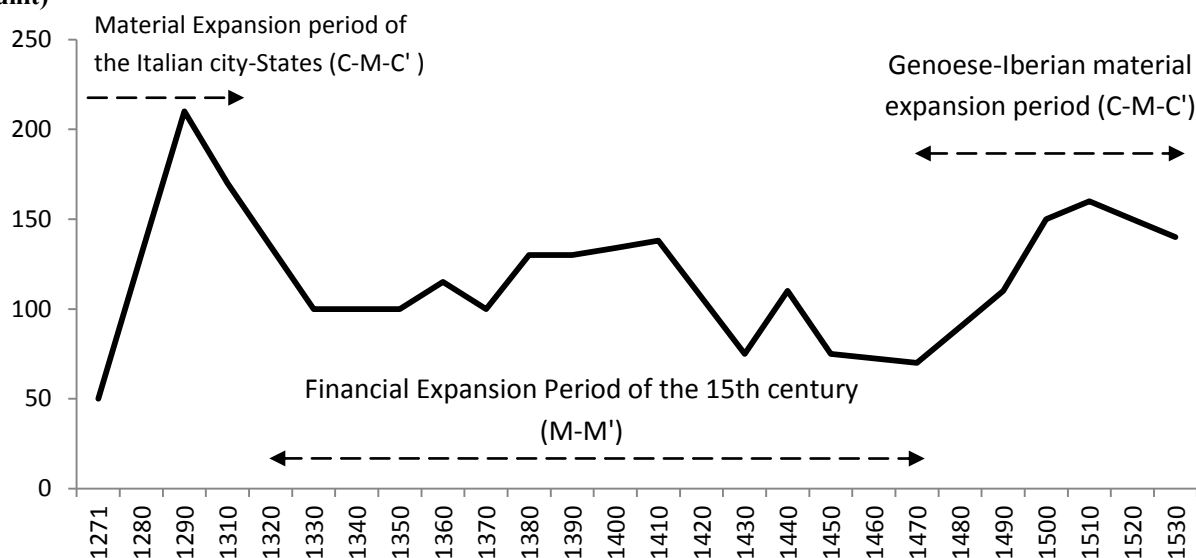
Yet, the *political* significance of this period - especially for issues such as the development of the modern state, the modern inter-state system and nationalism - still needs to be further examined and highlighted. After all, as Perry Anderson notes, the state-formation processes in Spain were not merely one episode within a set of concurrent and equivalent experiences of state-construction in Western Europe:

It was also an auxiliary determinant of the whole set as such. It thus occupies a qualitatively distinct position in the general process of Absolutization. For the reach and impact of Spanish Absolutism was in a strict sense 'inordinate', among the other

Western monarchies of the age. Its international pressure acted as a special over-determination of the national patterns elsewhere in the continent because of the disproportionate wealth and power at its command: the historical *concentration* of these assets in the Spanish State could not but affect the overall shape and direction of the emergent State-system of the West (Anderson, 1974, p. 60).

Following our conceptual framework, we will examine the state-society relationships in this epoch of historical capitalism in two distinct phases. The first phase encompasses the period between 1450 and 1550, which is the material expansion (C—M—C') period where Genoese merchants-bankers mostly engaged in trade activities (which included buying and selling of spices, wool, corn, sugar, grapes and slaves) and market-making activities (which included the oceanic explorations in the Atlantic) (see Figure IV-1 below)

Figure IV-1: Maritime Trade of Genoa and Systemic Cycles of Accumulation, 1271-1530 (1334=100 unit)



Source: The figure is reconstructed using Lopez (1964, p. 452), also see Miskimin (1969, p. 130) for similar pattern in a comparative perspective.

In the political sphere, this period coincided with the state-building activities under the Catholic Kings - King Ferdinand and Queen Isabella - who unified the Kingdom of Castile and the Kingdom of Aragon with their marriage in 1469, saved the peninsula from the Moors by re-conquering the Kingdom of Granada in 1492, and

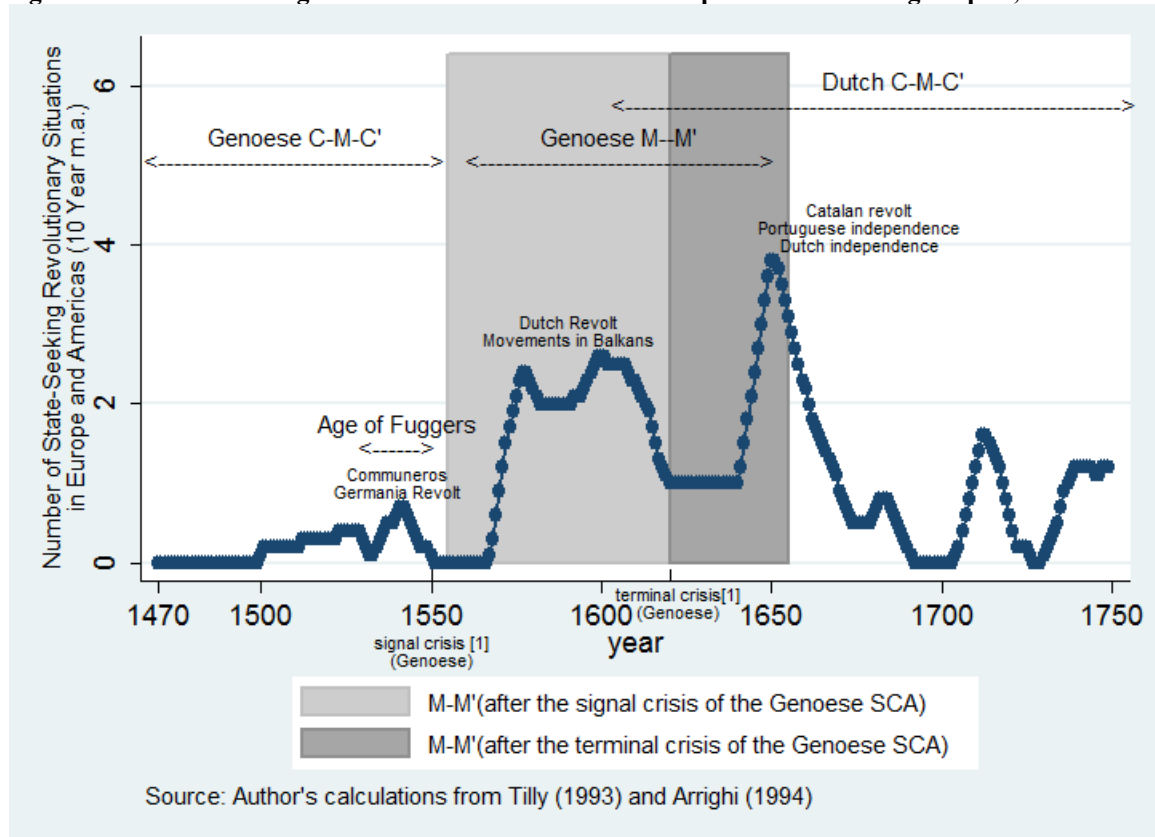
extended their kingdom to the Americas. As we will examine in detail below, King Ferdinand's and Queen Isabella's state-making activities were not limited to extending the territories of their empire. They were extremely successful in containing possible state-seeking activities that might emerge during this material expansion period. Probably that's why, according to textbooks of Spanish official history, and still for many scholars, the Catholic Kings were said to have established Spain as the first "nation" in Europe.

Our analysis of the state-building and "containment" strategies during the Genoese material expansion period will underline the attempts of King Ferdinand and Queen Isabella to establish a diverse set of "political compacts", to use the *Spanish Inquisition* to hold their society together and to establish a common identity for their subjects based on "Catholic faith". By expelling the Jews and later the Moors from the peninsula and by limiting the powers of the Papacy in their territories, the attempts of the Catholic Kings became an example of the *cuius regio eius religio* ("whose realm his religion") principle in practice. It can be argued that Catholic Kings' "containment strategies" initiated E. H. Carr's (1945) "First Period of Nationalism" in the world history. Although Catholic Kings' attempts did *not* create a Spanish "nation" as we would call it today, these attempts definitely changed the rules of state-building activities in the sixteenth century in rest of Europe. Sir Lewis Namier is known to argue that "religion is a sixteenth-century word for nationalism" (Hill, 1967, p. 23; Wallerstein, 1974, p. 207). If this is correct, we argue that it was largely due to the activities of the Catholic Kings during the material expansion period of the Genoese-Iberian systemic cycle.

The second phase of our analysis is the period of financial expansion that runs from mid sixteenth century to the mid seventeenth century. In this part of our analysis,

we attempt to show how these diverse political compacts established during the "material expansion" period are gradually dissolved and how the strategy of using the Catholic faith as basis of a common identity started to produce contradictory and self-defeating consequences in each step of this "financial expansion" period. For a proper analysis of this period we will further distinguish three distinct phases of Genoese-Iberian systemic cycle: (1) the early phase of the financial expansion "the Age of Fuggers" (1517-1555)², (2) the later phase of financial expansion "the Age of Genoese" (1556-1610) and (3) the period of chaos and transition (1610-1648).

Figure IV-2: State-Seeking Movements in the Territories of Spain and Habsburg Empire, 1470-1750



² The period from 1517 to 1555 belongs to the Genoese-Iberian material expansion period. However, in this period we see increasing financialization initiated by the Fugger. Hence, we will call this period as "early financialization".

Figure IV-2 shows number of state-seeking movements in a year within the European territories of the Spanish (and Spanish-Habsburg) Empire which created revolutionary situations from 1470 to 1750. As the figure illustrates, as material expansion period comes to its limits and as financialization period starts to take off, there has been an increase in total number of state-seeking movements within the territories of Spain and Habsburg Empire. The *Comuneros* and the *Germania* movement in the early phase of financialization; the state-seeking movements of the Seventeen Provinces - in other words the Dutch Revolt - in the later phase of financialization; and state-seeking movements in Catalonia, Portugal, Andalusia, Naples and Sicily during the "chaos and transition" period can be given as examples of these movements. As explained in Chapter II and observed - in a premature form - in Chapter III, we argue that this simultaneous rise of financialization and state-seeking movements was not coincidental. As expected by our conceptual-theoretical framework, financialization process created the macro-structural conditions under which "state-building" and "containment" strategies of the earlier period could not be continued any more. Furthermore, the same financialization process created the opportunity structures for state-seeking movements to mobilize against the Spanish-Habsburg Empire as well. Hence, we will examine the escalation of state-seeking movements in this period in relation to the various dynamics of the financial expansion period.

The "Making of the Spanish Nation" During the Genoese Material Expansion Period

In his *Isabel of Castile and the Making of Spanish nation*, Ierne Lifford Plunket credited Queen Isabel with having established Spain as the "first nation" in Europe. Plunket argued that:

It is her great achievement that she raised the crown, the medieval symbol of national justice, from the political squalor into which seventy years of mingled misfortune and incapacity had thrown it, and that she set it on a pedestal so lofty, that even the haughtiest Castilian need not be ashamed to bow the knee in reverence. By this [...] she secured peace at home and thus laid a firm foundation for Ferdinand's ambitious foreign policy and the establishment of Spain as the first nation in Europe (Plunket, 1919, p. 6).

Because the marriage of Isabel and Ferdinand and their later activities seemed to unite the peninsula, Spanish schoolchildren have long been taught of early modern Spain in the way Plunket described: as the first nation and/or even the first nation-state in Europe (Núñez & Tortella, 2003, p. 113)³. Many modern historians and social scientists, however, are extremely suspicious about the validity of this definition because, for them, unification of Spain is a highly controversial issue. Elliott (2002, p. 84), for instance, underlines that "the new Spain was [...] a plural, not a unitary, state and constituted of a series of separate patrimonies". Similarly Kamen (2005, p. 10) highlights that the Catholic Kings never became the Kings of "Spain", which had no specific political meaning at the time; they remained "King and queen of Castile, Leon, Aragon, Sicily

³ Not surprisingly in the mind-set of the nationalist ideology, the origin of the nation would go farther back. For instance, in the year 1947, a Spanish priest claimed that Spain was not only the first nation of Europe and but also of the world and the universe. In other words, Spain "was eternal". According to this priest, and many others who followed the same logic, "Spain had existed long before the national revival of the *caudillo*, Generalissimo Franco. It had existed under the Bourbons and Habsburgs and before the union of Aragon and Castile by the Catholic Kings, Ferdinand and Isabella. It had existed at the time of the Visigoths and of the Romans and of Tubal (a descendant of Cain and the first to settle in Spain); and it had existed before that, before the creation of the world itself, in the mind of God". (Koenigsberger, 1975, p. 144)

counts of Barcelona ... and so on". In the same line, Lachmann (2000) emphasizes that the Spain of the sixteenth and seventeenth centuries was not *at all* a nation-state but a collection of monarchies (p. 147) or at best a conglomeration of several kingdoms encompassing present-day Spain (p. 149).

If the question is whether or not early-medieval Spain could be considered as a nation-state, Elliott, Kamen, and Lachmann are definitely correct. Today providing a long list of reasons for why early-Medieval Spain *was not* a unitary nation-state is not a very difficult task. However, these explanations do not account for the high-degree of coordination that existed among this conglomeration of several kingdoms. Precisely for this reason, one must not altogether dismiss the innovative state-building strategies utilized by the Catholic Kings to control and coordinate the conglomeration of these kingdoms in this period. State-building strategies of Ferdinand and Isabella were extremely heterogeneous⁴.

Centralization Inside the Kingdom of Castile

In Castile, Ferdinand and Isabella constituted a bureaucratic, centralized modern state, very similar to the type of Renaissance states that emerged in Venice (Elliott, 2002; 1985, p. 120; Merriman, 1996, p. 188). That's why the Kingdom of Castile is often stated to be the first "new monarchy" in European history. Of course the Kingdom of Castile was not a city-state and it was more difficult to establish the allegiance of people because of the existing feudal ties.

⁴ Thus, the region one chooses to investigate will possibly shape his/her conclusions about the nature of state-making or nation-making policies of the Catholic Monarchs.

To achieve such centralization, Ferdinand and Isabella first stripped nobility of their privileges. Before them, throughout the long history of the *Reconquista*, previous kings of Castile tried to preserve their authority by granting immunities, rights or various types of privileges for the nobility who fought against the Muslim kingdoms. Mostly as a consequence of these policies, these various Castilian nobilities became *de facto* independent of the kings and became a serious threat against their kings (Kamen, 2005, p. 20). Ferdinand and Isabella were highly aware how the power of aristocracy evolved during the medieval era. They did not want to take any risks against this aristocratic power but they were not in a position to challenge the Castilian lords directly either. Thus they stripped some segments of the Castilian nobility of their medieval privileges and power by dispensing titles and positions to some others (Merriman, 1996, p. 189; Lachmann, 2000, p. 149; Kamen, 2005, p. 11). Most magnates were carefully excluded from their judicial posts and from voting on important affairs of the state. This exclusion meant that "the traditional offices of some of the proudest families of Castile were transformed into empty dignities" (Elliott, 2002, p. 90).

One of the secrets of Ferdinand and Isabella's success in fighting against Castilian aristocracy lied in their ability to coordinate and centralize the medieval militia-type brotherhoods which also emerged in the Iberian peninsula by the 12th century as they had done in Italian peninsula. While in Venice and Florence, newly emerging city-states were liquidating these brotherhoods, in their struggle against the nobility, Ferdinand and Isabella made good use of these *hermandades* by turning them into a strong and efficient "police force" in 1476 (Elliott, 2002, pp. 86-87; Lunenfeld, 1970; Kamen, 2005, p. 17). The medieval *hermandades* had properties very similar to the oath-

based brotherhoods that were seen in the communes of the Italian peninsula. They were *temporary* and *oath-based* associations which were established for *ad hoc* purposes, most of which were related to providing security of one type or another⁵. During the War of Castilian Succession (1475-1479), when the *hermandades* were spontaneously organized to preserve security and order in the northern Castilian towns, Ferdinand and Isabella took their control and reorganized them under the *Santa Hermandad* ("The Holy Brotherhood" or "The Holy League")⁶. Turning these brotherhoods into a centralized "police force", the Catholic Kings created a strong weapon to fight the existing nobility which posed a threat to their power.

Ferdinand and Isabella's state-building policies were not limited to stripping the nobility off their privileges and organizing a police force out of the *hermandades*. They also took the mastership of the Order of Santiago (which was the greatest religio-military order), bringing its wealth and resources under their control. Through this move, they not only got rid of an institution which constituted "a state within the state", but they also increased their wealth and political capacities (Elliott, 2002, p. 88; Kamen, 2005, pp. 26-27). "The Catholic Kings" did not see any problem with this explicit attack against the Papacy. On the contrary, as we will discuss in more detail below, their state-building policies primarily aimed at freeing the Kingdom of Castile from the chains of the Papacy.

⁵ Before 1200, for instance, the *hermandades* established small-scale leagues for mutual cooperation in the commercial parts of the peninsula as they had done in the Italian peninsula. Some of these *hermandades* established stable leagues for protecting the common economic interests of the north Castilian cities (Lunenfeld, 1970, pp. 17-23; Kamen, 2005, p. 13), some of them were established to protect the properties and goods of their cities during the *Reconquista* (Lunenfeld, 1970, pp. 17-23; Kamen, 2005, p. 17).

⁶ From then on, every city, town and village of over fifty inhabitants was ordered to create these brotherhoods, finance them and send representatives to the *Junta General* which directed the central policy of the *Santa Hermandad*. "Where the medieval *hermandades* had tended to fall under the influence of local magnates, and frequently added to the very disorders they were supposed to hold in check, the reorganized *hermandades* were dependent on the Crown for their instructions" (Elliott, 2002, pp. 86-87).

It would be wrong, however, to portray the activities of Ferdinand and Isabella within the Kingdom of Castile merely as utilization of brute force. Catholic Kings brilliantly combined *force* with *consent* to establish their hegemony over cities and populaces of Castile. Their use of force was selective towards the powerful segments of aristocracy, magnates and the military orders. However, to the rest of the Castilian society, they offered the material benefits and the prestige of the Empire. For instance, they turned Castile into a privileged location of the empire. The newly discovered Indies, the Americas, were not formally annexed to Spain but *only* to the Crown of Castile (Elliott, 2002, pp. 78-79; Barton, 1993, p. 120)⁷ This meant that the material benefits of the colonies were also coming to the Kingdom of Castile alone.

During this period, Castile also became a privileged location of the empire in the cultural sphere. Ferdinand and Isabella turned the Castilian dialect into the language of their "Empire". This occurred in 1492, when Antonio de Nebrija finished the first Castilian grammar book, which was the first grammar book compiled of a modern European language. When Nebrija dedicated this grammar book to Queen Isabella, the Queen asked what the book was for. Nebrija replied: "Your Majesty, language is the perfect instrument of empire" (Elliott, 2002, p. 128). Nebrija got his education in Bologna University and he knew the state-building strategies of northern Italian city-states, especially of Venice, very well. Similar to the state-building strategies that emerged in Venice, this "high culture" was intended to provide efficiency in bureaucracy.

⁷ "While there are apparently no legal restrictions on the passage of natives of the Crown of Aragon to the Indies, it was made plain that [...] the presence of Aragonese and Catalans was not welcome " (Elliott, 2002, p. 79). This restriction was more explicit in the issue of sharing the material benefits of the Americas.

Catholic Kings followed the advice and starting in 1492, Castilian became the standard language spoken in the American colonies and the newly conquered territories in the Iberian peninsula⁸. Demonstrating the meaning of the old saying "a language is a dialect with an army", this Castilian dialect soon became the modern Spanish language (Merriman, 1996, p. 188). The production of this "high-culture" together with the acquisition of the most privileged position in the empire became a matter of pride and one of the sources of a distinct - a Castilian - perception of the empire for those living at the core of the empire (Thomson, 1995, p. 126; Elliott, 1989, p. 236).

Castile was probably the most difficult kingdom in the Iberian peninsula to pursue centralization. However Catholic Kings managed to turn Castile into their castle. In a way, Ferdinand and Isabella used two of the three Machiavellian recommendations⁹ to contain revolts in a region which tasted freedom before. They first smashed the aristocratic opposition. Then they settled in Castile and turned it into a privileged location of the Empire. They did not use the third advice, which was to keep laws, institutions and regulations of the city/kingdom intact. As we will see below this was their primary strategy to contain revolts in Kingdoms outside Castile.

⁸ It is interesting to note that although we do not see the emergence of Gellner-type social entropy during the Genoese-Iberian expansion period in the Iberian peninsula (which existed in the Italian peninsula in the previous systemic cycle of accumulation), we see the emergence of a Gellner-type "high-culture" three centuries before the rise of industrialization.

⁹ Of course, Machiavelli wrote *The Prince* much later than these activities. Although we use the term "Machiavellian recommendations" we do not mean that Catholic Kings knew about these recommendations. It is very likely that Machiavelli followed the policies of the Catholic Kings very closely and derived his conclusions.

Political Compacts Outside the Kingdom of Castile

Looking at the Catholic Kings' policies inside Castile, it is not difficult to interpret these policies as steps toward creating a "new monarchy" in Castile, which utilizes state-building strategies of the northern Italian city states in the late 15th century. But the problem is that the Catholic Kings were not *merely* the Kings of Castile; and none of these policies were implemented outside the Kingdom of Castile. Looking at the Catholic Kings' policies in more "peripheral regions" such as Aragon, Catalonia or the New Indies, one would quickly grasp that the policies of the Catholic Kings did not have even a closest resemblance to centralization, let alone absolutism of any form.

In Aragon, Valencia and Catalonia, the Catholic Kings did their best to preserve all medieval institutions. They *did not* ever attempt to change the traditions or laws and they did not struggle against the nobility either. On the contrary, they tried to establish various sorts of political compacts with the elites of these peripheral regions. This was their strategy of holding the empire together. That's why their empire as a whole became a conglomerate of various kingdoms.

But why were they not able to use centralization throughout their empire? The Catholic Kings' state-building policies outside the Kingdom of Castile were partially imposed by the structural limits of the 15th and the early 16th centuries. As Mattingly put it,

at the beginning of the fifteenth century Western society still lacked the resources to organize stable states on the national scale. [Only] on the scale of the Italian city state it could do so. Internally the smaller distances to be overcome brought the problems of transport and communication, and consequently the problems of collecting taxes and maintaining the central authority, within the range of practical solution (Mattingly, 1988, p. 49).

It is true that in the early modern world, the sizes and scales of polities set a natural limit for how much the rulers could penetrate in the lives of their populaces. In the Iberian peninsula, geographical disparities and low level of communication between peoples and regions made this sort of penetration extremely difficult (Casanova, 1985, pp. 119-120; Mattingly, 1988). The problems Ferdinand and Isabella faced in their state-building activities were very different from the problems the Medicis and Sforzas encountered. The Italian city-states in the 15th century,

[...] generally developed a greater bureaucratic power to intervene in the lives of their citizens, for good or ill, than was to be found in the other states of the time. This relative efficiency was made easier by a difference in scale. While the kingdoms and principalities of northern Europe or Spain struggled to assert their control over a largely rural population scattered over areas measured in tens of thousands of square miles, in Italy, outside the kingdom of Naples and Sicily and some of the fringe areas of the north, the typical state consisted of a principal city and the surrounding region, extending to between a thousand and two thousand square miles only, sometimes considerably less. To put this in another way, while a northern king or duke might need up to a week to march from one part of his territory to another, a day's hard riding would normally suffice to travel from the average city to the furthest point of its *contado*, and up to a third of the population of the city-state might be living within earshot of the council-bell (Hyde, 1973, p. 94).

These structural limits explain why the Catholic Kings could *not* pursue centralization policies in the peripheral regions. But they do not explain how the Catholic Kings and later the rulers of the would-be Spanish-Habsburg empire *successfully* put these "collection of monarchies" or "conglomeration of kingdoms", most of which reserved their own institutions, powers and privileges, into coordination. The secret of coordination of this large empire lied in the way Ferdinand and Isabella used religion.

Religion as a Collective Identity of Subjects within the Spanish State

Observers ranging from political philosophers of the time such as Niccolò Machiavelli ([1532] 1964) to modern scholars of nationalism such as Hans Kohn (1956), have underlined how Ferdinand and Isabella used "Catholicism", especially the Holy

Inquisition, as an instrument which served to create unity among their populaces which were dispersed in different kingdoms (Davies, 1961, p. 12; Kamen, 1965, p. 8; Elliott, 2002, p. 108; Marx A. W., 2003, pp. 81-82). As Hans Kohn put it:

the Catholic Majesties instituted the Holy Inquisition in 1478 as an instrument with which to forge the unity of the State, to break the independence of the nobility and clergy and to weed out of all heresy. The Inquisition fought Mohammedans and Jews as enemies of the faith, who hindered the unification of the nation (Kohn, 1956, p. 151).

It is true that in a country so totally devoid of political unity as the new Spain, a common faith served as a substitute, "binding together Castilians, Aragonese, and Catalans, in the single purpose of ensuring the ultimate triumph of the Holy Church. Compensating in some respects for the absence of a Spanish nationhood, a common religious devotion had obvious political overtones, and consequently a practical value which Ferdinand and Isabella were quick to exploit." (Elliott, 2002, p. 108). Using the Holy Inquisition as a political tool, Ferdinand and Isabella assumed a purpose for their state - the purpose of protecting Catholicism - and transformed themselves into the "Catholic Kings".

In the constant interplay between politics and religion, the establishment of an Inquisition throughout Spain had obvious advantages, in that it helped to further the cause of Spanish unity by deepening the sense of common national purpose (Elliott, 2002, pp. 108-109).

But creating a common identity based on Catholic faith, in a society where the population is not altogether Catholic was not easy. Assimilation of Jews and Muslims into Catholicism was not a solution either. After all, to save their lives from terrible anti-Jewish riots in Castile, Catalonia and Aragon in the late 14th centuries, many Jews had

already submitted to baptism (Kamen, 2005, pp. 38-44; Elliott, 2002, p. 106)¹⁰. And now the sincerity of their conversion was at stake. There were suspicions that many of these *conversos* - the new Christians - were practicing their religion in secrecy. The reason why the Holy Inquisition was organized in Castile in the 15th century in the first place was not to deal with the problem of Jews or the Muslims but the *conversos* whose sincerity was suspected. Because of the interrogations, over 4,000 *converso* families had to flee from Andalusia in the autumn of 1480; more than 700 of them were burnt and over 5,000 were punished between 1480 and 1488. It is estimated that, up to 1490, the Inquisition had burnt 2,000 and "reconciled" 15,000 other *conversos* (Kamen, 2005, pp. 40-41). But of course, the problem was not resolved.

Thus soon, the exclusion of a large segment of the population from the "Spanish" territories came to the agenda. In the glorious year of 1492, when Columbus discovered the "new route to the Indies" and when the *Reconquista* was finally completed, another key "success" took place. Ferdinand and Isabella expelled more than 200 thousand Jews from Spain. This was shocking to the Jews in general. True, there was an intensification of anti-Jewish and *anti-converso* sentiments among the Castilian people in the last centuries. But these sentiments and prejudices were more directed at Jews' role in state and society. In Castile it was commonplace to see a popular collective prejudice against

¹⁰ The Jews in Spain already had problems in the previous centuries. "Already in 1212, Christian midwives were forbidden to attend to Jewish women in labor; in 1320 Jews were massacred in Aragon; and in 1371 Henry II of Castile ordered that all Jews (and Moors) wear a red circle badge on their left shoulder to mark them apart. Panic over the plague and jealousy over wealth exploded into anti-Jewish riots in Castile, Catalonia and Aragon in 1391. [...] In 1405 the separation of Jews were supplemented by harsher restrictions. Castile in 1412 formally excluded Jews from holding office, changing homes, engaging in certain trading, bearing arms, or hiring or eating with Christians. Anti-Jewish and anticonverso riots in Toledo in 1449 led to torture-induced confessions, property seizures, and the passage of laws requiring 'purity of blood' to hold municipal office, thereby also excluding conversos" (Marx, 2003, p. 81)

the Jewish financier, Jewish tax-collectors and other Jewish servants of the state. And precisely for this reason, anti-Jewish sentiment was *not* common among the upper nobility. Ferdinand himself had Jewish blood in his veins (Elliott, 2002, p. 107; Marx A. W., 2003, pp. 81-82) and many Jews had pressed for the marriage of Isabella and Ferdinand in the first place, believing that Ferdinand would ensure tolerance, given his and Isabella's reliance on Jewish doctors and financiers (Marx A. W., 2003, pp. 81-82; Kamen, 2005, p. 38). Furthermore the wealth of the *conversos*:

gave them an entry into the circle of Court and aristocracy; contending political factions jostled for their support, and some of the leading *converso* families intermarried with those of the high Castilian nobility. But their very power and influence as financiers, administrators, or members of the ecclesiastical hierarchy, naturally tended to breed resentment and suspicion, for the rise of a rich *converso* class seemed to threaten the whole social order of the Castile, based on hereditary status and on the possession of landed wealth (Elliott, 2002, p. 106).

For all of these reasons the policies of Ferdinand and Isabella against the Jews cannot be regarded simply as the reflections of a pre-existing racist sentiment. This sentiment was not confined to Jews either. Within 10 years, the Muslims of Granada also faced the same dilemma of either converting to Christianity - and facing the Holy Inquisition's interrogation - or leaving their territories (Elliott, 2002; Marx A. W., 2003; Kamen, 2005). And as we will see below, later on this became an Imperial policy.

It is not easy to decipher what Ferdinand and Isabella actually thought when they pursued these policies. There is a large literature which tries to understand *why* Ferdinand and Isabella expelled Jews from Spain, but we do not intent to discuss it here. Whatever they thought, they gave their kingdom a "new purpose". This "new purpose" Ferdinand and Isabella assumed for this "new Spanish state" proved to be highly effective in many different areas. First of all, although Ferdinand and Isabella gave a very high degree of

autonomy to the aristocracy of the "peripheral" kingdoms, they were able to counter the aristocratic centrifugal tendencies through this new purpose of "protecting Catholicism". Imposing the new-style Inquisition in diverse parts of their empire and using religion as a main coordinator of activities they were able to increase their political control over these peripheral kingdoms. After all, apart from the Inquisition, there was no institution which could penetrate into all territories of the new Spanish-state. The Inquisition was the only institution to serve as a unifying organ (Elliott, 2002, p. 108; Marx A. W., 2003, p. 83).

The Inquisition thus became a tool for building centralized state authority. This political use of the Inquisition arguably began with the granting in 1478 by the pope to the Spanish monarchs the power of appointment of priests as inquisitors, and later even of bishops. [...] Regardless, the result was to reinforce royal authority over and through the Inquisition, 'to forge the unity of the state' and of its subjects, curtailing dissent and overcoming feudal divisions (Marx, 2003, p. 83).

Furthermore, the Spanish Inquisition proved to be effective not only for holding the nobility together, but also for mobilizing the commoners as well. Because of its effectiveness, Anthony Marx and many others argued that the Inquisition helped the creation of a limited assertion of early nationalism in the Spanish society:

Begun as an expression of faith, the Inquisition then had bolstered centralizing power within the state and [...] also contributed to a limited assertion of early nationalism beyond these institutional forms. To exercise centralized and autonomous power, the monarchs needed the support of the commoners, in particular the urban masses who might otherwise be well positioned to rebel. Popular sentiment would have to be turned toward greater loyalty to the center, and the religious aspects of Inquisition provided a potential basis for this process (Marx, 2003, pp. 84-85).

But more importantly, this move enabled Ferdinand and Isabella to free themselves from the Papacy, which must be seen as their greatest political achievement. The Inquisition as a special court for the detection, trial and punishment of heresy had existed since the 1230s. "But the Spanish Inquisition differed from the papal Inquisition both in its origins and in its organization" (Lynch, 1981, p. 20). It became an instrument of the Spanish state, not of Rome. Of course, the papacy did not give this weapon to the

hands of Ferdinand very willingly but Ferdinand opposed papal control very aggressively as well. "The papacy continued to claim jurisdiction but at every step Ferdinand and the Inquisitors blocked interference in what was now a wholly royal and Spanish institution" (Kamen, 2005, p. 40). At the hands of the Catholic Kings, then, the Inquisition served a dual purpose: "Looking inward, the Inquisition became a tool for spreading centralized power; but looking outward it also became the basis for asserting domestic independence against papal authority" (Marx A. W., 2003, p. 84).

Assertion of independence against the Papacy also played a critical role for state-building strategies of the "Catholic Kings". One by one, Catholic Kings became *de facto* independent from Rome. During the *Reconquista* they secured the right of patronage and representation to all major ecclesiastical benefices in the newly conquered Kingdom of Granada from the Pope. The Pope had to take Ferdinand's demands seriously because he needed Ferdinand's help in furthering the Papacy's Italian interests (Elliott, 2002, p. 101; Lachmann, 2000, p. 150).

More radically, when they discovered the "new Indies", Ferdinand obtained the absolute royal control over all ecclesiastical foundations in the overseas territories.

In the new world [...] the Crown was the absolute master, and exercised a virtually papal authority of its own. No cleric could go to the Indies without royal permission; there was no papal legate in the New World, and no direct contact between Rome and the clergy in Mexico or Peru; the Crown exercised a right to veto over promulgation of papal bulls, and constantly intervened, through its viceroys and officials, in all the minutiae of ecclesiastical life. [...] Above all they obtained for the Crown in perpetuity a sufficient degree of control over the wealth of the Church to deprive their successors of any financial inducement to follow the example of a Gustavus Vasa or a Henry VIII and break violently with Rome (Elliott, 2002, pp. 101-102).

The Catholic Kings not only freed themselves from the Papacy politically, but they also weakened the Papacy economically. We have underlined how Ferdinand and

Isabella took the richest religious-military orders in Castile under their control. Dispossessing Rome from these religious-military orders and confiscating their properties was only one part of their move. Furthermore, the revenues of the Inquisition now started to be collected by the Castilian crown. "Consistent with such state-building, the Inquisition also became a source of further revenue collection. [...] The revenues from the Inquisition of Valencia in 1486 were used to pay for the fleet sent to Italy. Thus, the Inquisition helped to finance state power; confiscation of the riches of the Jews and *conversos* was an attractive means to augment a royal treasury depleted by war" (Marx A. W., 2003, p. 83). They also started to collect various taxes from churches and from Rome. These economic benefits also contributed to the virtuous cycle of the material expansion period.

In short, the Catholic Kings step by step changed the power relationship between state and religion in early modern Europe. This was an important development in European history. As Breuilly (1982) mentions:

one aspect of the growth of state power in the early modern Europe was the changing relationship between church and government, and more generally, between religion and politics. Governments wished to secure greater power over the Catholic church in order to reduce papal power, to provide government with greater resources, and to create closer links between religious and political loyalties (Breuilly, 1982, p. 76).

True. But the activities of the Catholic Kings are not *examples* of this fact. It is *the starting point* of this transformation. And if one tries to understand why it was Ferdinand and Isabella who first attempted such a transformation, the first place to look for an answer must not be the diaries of Ferdinand and Isabella, but the social, political and economic transformations that created new opportunities, resources and necessities for the kingdom of Castile.

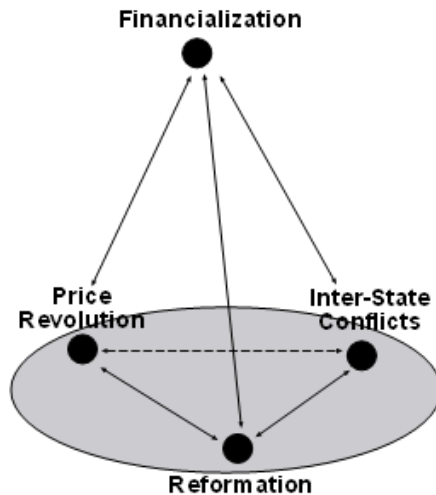
As we have underlined in earlier (and discussed in more detail in Appendix A), all of these developments and state-formation activities took place in the context of a "material expansion" financed by the Genoese diaspora capitalists. Hence, with the end of this material expansion period, these state-building strategies became ineffective. Similar to the dissolution of patriotism in north Italian city-states right after the financial expansion of the 14th century; the strategies that helped Iberian monarchs to hold their empire together and to contain state-seeking movements started to dissolve right after the financial expansion period.

State-Seeking Movements During Financial Expansion Period: From Crisis To Chaos

Starting from 1517 on, the virtuous cycle of Castilian political economic activities was disturbed for three closely interrelated reasons: the price revolution, intensification of inter-state conflicts and the Reformation movement¹¹. As the virtuous cycle started to turn into a vicious one, profit-making in "usual" ways was no longer possible. Hence the merchant-bankers of Europe - above all the Fuggers from 1517 to 1555 and the Genoese from 1555 to 1640s - started to engage in financial speculation and investment in non-productive activities such as financing Habsburg wars. Financial expansion, however, was not only a consequence of these three developments. It also contributed to the further development of the price revolution, inter-state and intra-state conflicts in Europe (see Figure IV-3 below).

¹¹ Unlike the crisis of the 14th century - which emerged when profits out of the Mediterranean trade reached their limits - the stagnation that started in the 16th century and came to a peak in the 17th century did not have not much to do with the limits of the Transatlantic trade.

Figure IV-3: Conceptual Pyramid of Forces of Vicious Cycle in Europe, 1517-1640



Furthermore, as we will discuss in detail, during this financial expansion period, the complex set of "state-building strategies" used by Iberian monarchs - which had successfully contained state-seeking movements within their empire - came to an end. Hence as financialization took off, state-seeking movements within the territories of the Spanish-Habsburg Empire started to rise. There was a clear overlap with the intensification of state-seeking movements and the rise of financialization. As we observed in Figure IV-2 above, state-seeking movements were extremely rare during the Genoese material expansion (C—M—C') period. The only exceptions were state-seeking activities in Castile (the *Comuneros* revolt) and in Valencia (the *Germanias* revolt) in the 1520s. Although these movements belonged to the Genoese material expansion (C—M—C') period according to Arrighi's conceptualization, it was also the beginning of what historians call as the "Age of Fuggers", which can be conceptualized as an early epoch of financialization in Europe in the sixteenth century.

State-seeking movements became very common and widespread during the Genoese financial expansion (M—M') period, especially from 1560s to 1640s (see Figure IV-2). In this era, state-seeking movement of the Seventeen Provinces - which would later be known as the Dutch revolt - was the most serious problem for the Spanish-Habsburg empire until the 1640s. But the 1640s was literally a period of chaos for the whole empire as well as rest of Europe. As far as the territories of the Spanish empire are concerned, various revolts turned into state-seeking movements in Catalonia, Portugal, Andalusia, Naples and Sicily. As a result of these struggles, the Dutch and the Portuguese movements managed to successfully secede from the Spanish Empire.

In order to explain the interplay between financialization and rise of these state-seeking movements, we first need to examine the complex set of relationships between price revolution, inter-state conflicts, Reformation and financialization. After we discuss the relationships between these forces, we can investigate how these processes created "structural obstacles" for the Iberian monarchs to contain state-seeking movements on the one hand, and "structural opportunities" for these state-seeking movements on the other hand.

Forces of the Vicious Cycle: Price Revolution, Inter-State Conflict, Reformation and Financialization

First pillar of the vicious cycle that started to take off in the sixteenth century is the "price revolution" (Hamilton, 1934) which had significant consequences not only for the empire but also for Europe as a whole (Lynch, 1981, pp. 109-142; Elliott J. H., 2002, pp. 192-196; Kamen, 2005, pp. 98-121; Miskimin, 1969, pp. 28-46). As Hamilton (1934)

underlined between 1500 and 1650, for almost 150 years, there was persistent inflation in Europe, which - for Hamilton - was caused by the Spanish-American silver influx to Europe¹². In a way, the price revolution was a paradoxical consequence of the success of Iberian rulers in colonizing the New Indies. As Adam Smith ([1776] 1976, p. 37) also observed, the discovery of the abundant mines of America paradoxically reduced the value of gold and silver in Europe to about a third of what it had been before. In his study, Hamilton identified three stages Spanish prices passed through in the sixteenth century. 1501-1550 was period of moderate rise, 1550-1600 was the culmination of the price revolution and 1601-1650 was the period of stagnation (Hamilton, 1934, p. 301)¹³. Although inflation due to influx of precious metals was not the first of its kind, the "price revolution" of the 16th century was the greatest one in history.

It is questionable, however, whether the "price revolution" can solely be explained by the sudden influx of gold and silver to Europe from the Americas¹⁴. Various political economists - including Joseph Schumpeter (1982) - insist that the quantity of precious metals alone do not produce any economically determined effects. What determines the effects of this kind of metal influx is the *kind of production* made with these precious metals. In the case of Spain, Schumpeter underlines, price revolution was closely linked to the rise of inter-state warfare. After all, gold and silver from the Americas were used

¹² The idea "price revolution" was not new in the 1930s. It was also observed by various political-economists of the 18th century. But Hamilton was the first economist who was able provide concrete and reliable annual data on imports of gold and silver bullion from Spain's American colonies and provided quantitative evidence for this phenomenon.

¹³ It is important to underline that these stages roughly overlap with three stages of financial expansion period we introduced at the beginning of this chapter. Hamilton's first period roughly corresponds to the "Age of Fuggers", his second period to the "Age of Genoese", and his third period to the "chaos of the early seventeenth century" which continued until 1640s.

¹⁴ In the literature, various other factors including simultaneous rise in population and currency debasement policies is also considered to be influential factors in the "price revolution".

to finance the growing number of wars Spanish-Habsburg Empire was dragged into. This was the reason of the price revolution:

"Increase in the supply of monetary metals does not, any more than autonomous increase in the quantity of any other kind of money, produce any economically determined effects. It is obvious that these will be entirely contingent upon the use to which the new quantities are applied. [...] The first thing to be observed is that, as far as Spain herself is concerned the new wealth [...] served to finance the Hapsburg policy [and] the influx [...] became the instrument of war inflation and vehicle of the familiar process of impoverishment and socialization incident thereto. [...] In all these respects, the evolution of capitalism was indeed influenced, but in the end retarded rather than quickened, by that expansion of the circulating medium (Schumpeter, 1982, p. 231).

Like Schumpeter, Arrighi (2010, p. 174) also points out that the succession of wars fought by the Spanish-Habsburg empire contributed to the drastic inflation of the sixteenth century. Hence the vicious cycle of the sixteenth century cannot be understood without examining how and why successors of the Catholic Kings were dragged into a series of inter-state wars in Europe. Partly, this was another paradoxical "success" story. Of course the state-building strategies of the Catholic Kings already expanded the territory of the Spanish Empire to a great extent. But the real success took place during the reign of Charles I. In 1519, with the *indirect* help of the Genoese merchants and the *direct* action by the German financiers (the Fuggers), young King Charles of Castile and Aragon was able to buy the votes which helped him to be elected as the Holy Roman Emperor (Arrighi, 2010, p. 125). When "Charles I" of Castile and Aragon became "Charles V" of the Holy Roman Empire, he gained command of all Spanish possessions including Spain's American colonies, Aragon and the Italian possessions (including Naples, Sicily and Sardinia), Low Lands and the Habsburg ancestral possessions in Central Eastern Europe (see Figure IV-4 below).

Figure IV-4: Lands Charles V Inherited in Europe, 1519



Source: Kennedy (1989, p. 34), also see Elliott (2002, pp. 148-149) and Kamen (2003, p. xi).

But together with these lands, Charles V also inherited the political problems of the Holy Roman Empire and increased the number of contentious fronts as well. Starting from 1519 on, the Spanish-Habsburg Empire was dragged into a number of wars on many different fronts (Arrighi, 2010, pp. 42-43; Parker & Smith, 1978, pp. 13-18; Kennedy, 1989, p. 31). They fought constantly against the French for the northern Italian territories, and against the Ottomans in East Europe and in the Mediterranean. With these continuous struggles they not only intensified the frequency of warfare in Europe but also changed the size and scale of the battles as well:

The interlocking campaigns for European predominance which characterize this century and a half differ both in degree and kind, therefore, from the wars of the pre-1500 period. The struggles which had disturbed the peace of Europe over the previous hundred years had been *localized* ones; the clashes between the various Italian state, the rivalry between English and French crowns, and the wars of the Teutonic Knights against the Lithuanians and the Poles were typical examples. As the sixteenth century unfolded, however, these traditional struggles in Europe were either subsumed into or eclipsed by what seemed to contemporaries to be a far larger contest for the mastery of the continent (Kennedy, 1989, p. 31).

As a consequence, the military costs of the empire increased dramatically. Table I-1, below, shows the increase in the military man power of the Spanish empire in comparison with France, England and the United Provinces, to illustrate the increase in the military costs of the empire especially during the financial expansion period. As illustrated in the table, during the Genoese material expansion (C—M—C') period, the size of military manpower of Spain was between 20 thousand and 80 thousand. During the Genoese financial expansion (M—M') period, however, the size of military manpower in Spain was between 150 thousand and 300 thousand. This was a radical increase.

Table IV-1: Increase in Military Manpower, 1470s-1710

Period	Date	Spain	France	England	United Provinces
Genoese Material Expansion	1470-1490	20,000 ^b	40,000 ^b	25,000 ^b	
(C-M-C')	1490-1510	80,000 ^c	12,000 ^a -40,000 ^c	20,000 ^a	
Genoese Material Expansion	1510-1530	-	20,000 ^a - 45,000 ^a	30,000 ^a	
(C-M-C')	1530-1550	67,000 ^a	-	30,000 ^a	
Genoese Financial Expansion	1550-1570	150,000 ^{bc}	50,000	20,000 ^{bc}	
(M-M')	1570-1590	-	30,000 ^a -40,000 ^a	9,000 ^a	
Genoese Financial Expansion & "The Chaos"	1590-1610	150,000 ^c -200,000 ^b	80,000 ^b	10,000 ^a -30,000 ^b	20,000 ^c
(M-M')	1630-1650	150,000 ^c -300,000 ^b	150,000 ^b	-	50,000 ^b -70,000 ^c
Dutch Hegemonic Consolidation	1650-1670	100,000 ^b	100,000 ^b	70,000 ^b	-
(C-M-C')	1670-1690	70,000 ^c	253,000 ^c	-	110,000 ^c
	1690-1710	50,000 ^c	255,000 ^c	87,000 ^c	100,000 ^c

^a Bean (1973, p. 210)

^b Kennedy (1989, p. 56)

^c Parker and Smith (1978, p. 15)

Sources: We used Kennedy (1989, p. 56) as the main source, however 1490s, 1510s, 1530s and 1570s were missing in Kennedy. In order to avoid a confusion in the time-dimension we tried to impute the missing years using Bean (1973, p. 210) and Parker and Smith (1978). When multiple authors gave different figures for a period, we took both the minimum estimation and maximum estimations.

If we want these figures to properly reflect the costs of the military expenditures, we must also account for the effect of the price revolution. According to estimates by Parker and Smith (1978, p. 14) "price inflation meant that the cost of putting each of these soldiers in the field rose by a factor of five between 1530 and 1630. The cost of waging the war thus reached a level that few governments could no longer afford."

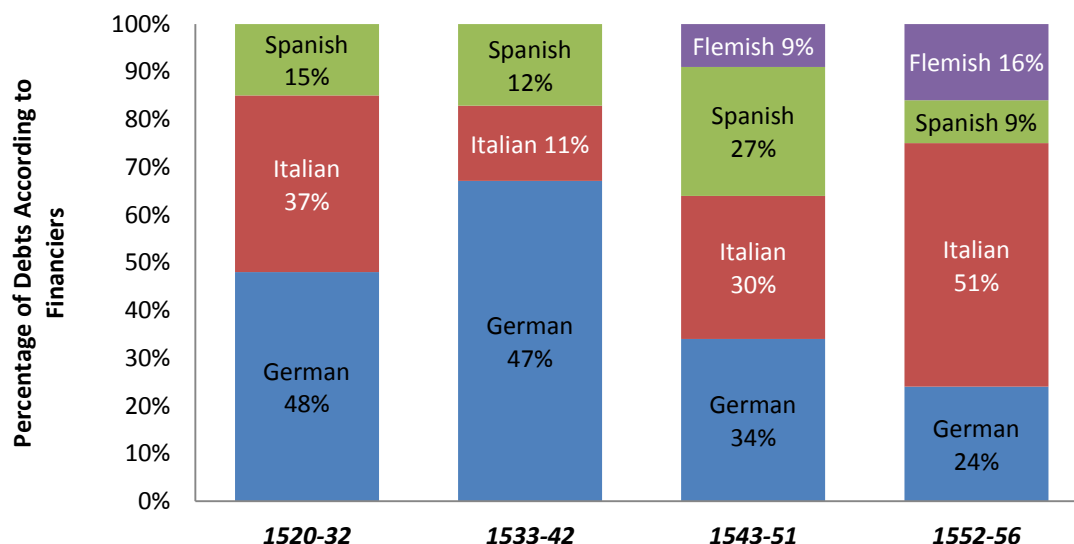
There were two sources of money Spanish-Habsburg emperors relied on to afford these costs: (1) the influx of silver from the American colonies and (2) the loans by foreign bankers (i.e. Fuggers and the Genoese). Use of precious metals from the colonies for financing Spanish-Habsburg wars contributed to the "price revolution" as described by Schumpeter. Under drastic inflation, Spanish-Habsburg monarchs started to borrow more and more heavily from the bankers of Europe. Until 1550s, the German financiers - most importantly the Fuggers - backed the Spanish-Habsburg monarchs with their loans. In the mid-1540s, however,

the Fuggers were tired of Imperial loans; they had already let themselves in so deep that they had to wait a long time before they get their money again'. In the early 1550s, Anton Fugger complained repeatedly to his agent, Matthew Oertel, that "no Resolution as to our debts will come from the Court. [...]" These complaints notwithstanding, the Fuggers were drawn into new and bigger loans in a vain attempt to entice Charles V to repay or at least service his existing debts (Arrighi, 2010, p. 127).

In the 1550s, the Fugger's empire of capital was no longer able to meet the demands of the Spanish-Habsburg monarchs. Thus Philip II - who succeeded Charles V as the King of Castile and Aragon - started to borrow from the Genoese merchants who was ready to fill the space left by the Fuggers (Arrighi, 2010, p. 127; Ehrenberg, 1985, p. 119). Figure IV-5 illustrates the radical shift in the composition of debts of the Spanish-Habsburg empire. After 1550, more than half of the debts of the empire belonged to the

Genoese "Italian" bankers. This was how the Genoese "financial expansion" started. As Arrighi (1994, p. 124) also observes, the early financialization under the Fugger and their demise was almost a replica of the bankruptcy of the Bardi and the Peruzzi super-companies in the fourteenth century, who had financed the English invasion of France (1339-1340) and had crashed before the rise of the Medicis. "The true Medici of the sixteenth century", Arrighi underscores, "were a clique of Genoese merchant bankers, the so called *nobili vecchi*, who in the midst of the crisis abandoned trade to become the bankers of the government of Imperial Spain in nearly absolute certainty that in this role they would make rather than lose money" (Arrighi, 1994, pp. 124-125). It was these Genoese merchant-bankers who converted the silver coming from the Potosi mines into gold, so that the Spanish monarchs could pay the regular monthly payments of the Spanish troops.

Figure IV-5: Percentage of Debts of the Spanish-Habsburg Empire During Charles V. according to Financiers

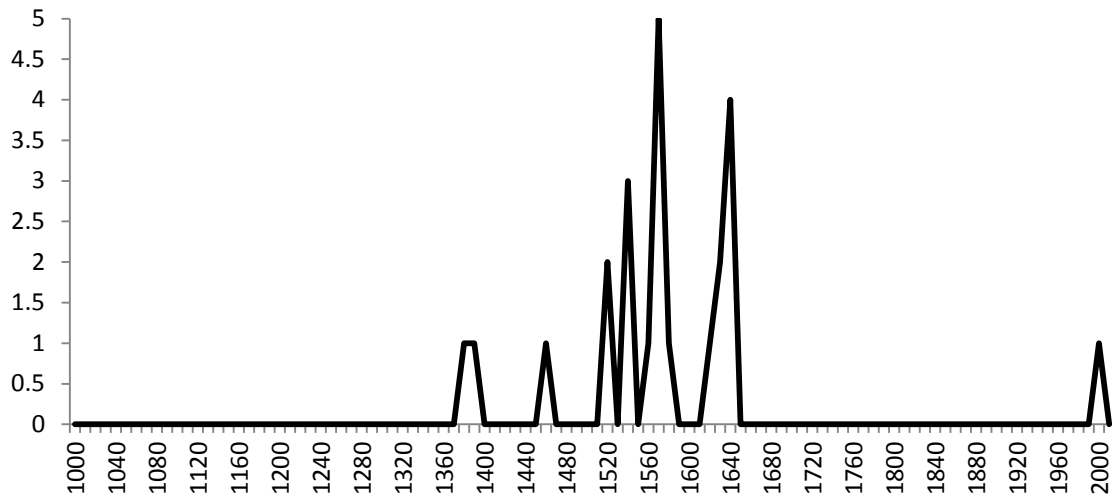


Source: Kamen (2005, p. 90)

These debts inevitably created a fiscal pressure for the empire. Similar to the financial expansion period of the Italian city-states, this fiscal pressure meant increasing

taxes for masses during the Genoese financial expansion period. Of course, increasing taxes became the major factor of the intensification of social unrest in this period (see Figure IV-6). The trajectory of the total number of years with tax revolts within the territories of the Spanish-Habsburg Empire from 1000 to 2000 illustrates that the Iberian-Genoese financial expansion period was an exceptional period in terms of the frequency of tax-revolts.

Figure IV-6: Total Number of Years With Tax Revolts in a Decade, in Spain (including Habsburg Empire), 1000-2000



Source: Author's calculations from Burg (2004)

Similar to Venice two centuries ago, intensification of social unrest at home went hand in hand with attempts to establish new colonial subjects. With the help of the Genoese capital, Spain entered into a period of territorial expansion. They intensified oceanic explorations and in 1560s they started to establish new colonies in the recently discovered archipelago of South East Asia, which are named as "Philippines" after Philip II. In 1580 they even managed to annex Portugal and inherit all of its colonies. At first this "financial expansion" appeared as a new "golden age" for the Spanish empire. Soon it was apparent that this was actually their doom. The vicious cycle did not slow down but intensified and in the 1640s, whole Spain was in chaos.

There was another factor, without which the formation of the vicious cycle cannot be properly understood. This factor is the Reformation movement. Luther's Reformation movement started in 1517 and added a new dimension to the intensification of existing instabilities. Of course, one can treat the rise of the Reformation movement - which appears to be merely a religious movement at the first sight - as completely exogenous to the processes we have been discussing so far. However, for two reasons, the Reformation is closely related to the internal dynamics described by our framework.

First of all, in addition to being a religious movement, the Reformation movement must also be seen as a novel "late-comer" strategy which attempted to challenge the economic and political foundations of the Spanish-Habsburg and the Holy Roman Empire. In the economic sphere, Protestantism laid down an alternative scheme of capital accumulation. Protestant movements offered a new method of primitive accumulation which is based on confiscation of church property (Marx K. , [1867] 1992)¹⁵. In the 16th century, Protestants started to use this money to initiate new economic activities¹⁶. In the political sphere, Protestantism also provided a legitimate demand to break away from the Papacy and the Holy Roman Empire. It was also a political project which aimed at establishing Protestant states all over the Europe. Hence Protestantism was a novel "late-comer" strategy which attempted to challenge the political-economic supremacy of the

¹⁵ In *Capital*, Marx explained this process as follows: "The process of forcible expropriation of the people received in the 16th century a new and frightful impulse from the Reformation, and from the consequent colossal spoliation of the church property. [...] The suppression of monasteries, &c., hurled their inmates into the proletariat. The states of the church were to a large extent given away to rapacious royal favorites, or sold at a nominal price to speculating farmers and citizens, who drove out, en masse, the hereditary subtenants and threw their holdings into one" (Marx K. , [1867] 1992, pp. 792-793).

¹⁶ This close relationship between Protestantism and capitalist activities even led some sociologists - such as Max Weber ([1917] 1958) - to assume an intrinsic relationship between the "Protestant ethic" and the "spirit of capitalism".

Spanish-Habsburg Empire. We will observe a similar "late-comer" strategy in the unificationist nationalisms (e.g. Germany and Italy) of the mid 19th century, which challenged the British hegemony and became an important force behind the crisis of the British hegemony.

Interestingly, the seeds of this late-comer strategy were planted originally by the Catholic Kings. Protestantism was doing nothing but turning the strategies innovated by the Catholic kings onto their heads and utilizing them for their own advantage. For instance, it was first the Catholic Kings who started ripping off the Church's possessions by controlling the mastership of the military-religious orders (Elliott J. H., 2002, pp. 88-89), making the church contribute to government expenses, taking various taxes such as the "crusade" tax on religious property (Kennedy, 1989, p. 43) and eliminating the Pope's connections with the clergy in its colonies (Elliott, 2002, pp. 78-79). While Catholic Kings were doing all of these in the name of Catholicism, Protestants were confiscating church possessions more explicitly in the name of Calvinism, Lutherism etc. Likewise, it was first the Catholic Kings who separated their state from the religious authority of the Pope and established their "absolute" authority in their territories. Protestants were following this example exactly when they revolted against the church to establish their national churches. Similarly, it was the Catholic Kings who brought the *cuius regio eius religio* (whose reign his religion) principle, albeit in a *de facto* manner, to gain its authority over the Church. As we will discuss in more detail, Protestants of the 16th century started to utilize this perspective to justify their need for a new state. If the north Italian financial expansion period turned "patriotism" onto their head, now state-building strategies of the Catholic Kings were creating their antithetical movement.

Secondly, the rise of Protestantism was not completely independent from the rise of financialization in this period. In many ways, Protestantism was also a reaction to the consequences of the early financialization period. The "invisible exports" of the Papacy (e.g. pilgrimages, indulgences and dispensations), which outraged Luther and his followers, were among the extremely profitable "non-productive" business areas for the Fugger capital¹⁷. In the 16th century, the Papacy, whose resources had further been squeezed by the Catholic Monarchs, was pushed toward selling more and more indulgence. Like Florentine bankers two centuries earlier, the Fugger also saw these increases in these "invisible exports" as an extremely profitable business. In the early 16th century Fuggers started to lend money to these rich aristocratic classes who wanted to buy indulgences on the one hand, and penetrated into the internal administration of the Church to set the schemes for how these indulgence would be sold to the public and be paid back, on the other hand (Shillingford, 2010, p. 29; Strieder, [1931] 2001, pp. 163-165). Church was also being taken over by the "moneyed interest". Soon this indulgence-trade reached to a point of non-sense for theologists such as Martin Luther.

In 1517 in order to finish the refurbishment of the St. Peter's Cathedral Pope Leo X announced another indulgence. Count Albrecht, who wanted to buy a third archbishopric, decided to borrow from the Fugger.

Fugger offered to lend Albrecht the money needed to buy the diocese. Fugger planned to launch an indulgence campaign on behalf of St. Peter's project for the Vatican. Half of the cash raised would for to the Vatican and the other half would pay back his loan provided for securing of the diocese in favor of Count Albrecht. Fugger hired Johann Tetzel to sell the scheme to the public. Tetzel had the gift of the gab and was adept at separating believers from their money. He raised the required cash by

¹⁷ This was not a new story. Since the birth of *haute finance*, there was a close relationship between the "invisible exports" of the Papacy and financiers of northern Italian city-states (Arrighi, 1994, p. 97; Cox, 1959, p. 165).

marketing letters of forgiveness granting full or partial remission for sins. Some rigorous buyers did their work with due diligence, taking letters to the Professor of Theology at the University of Wittenberg, one Martin Luther. Luther was not impressed and spoke out against Fugger and Tetzel. Tetzel replied by ridiculing Luther. Martin threw a fit and nailed his 'Ninety-Five Theses' to the Wittenberg church door. Protestant Christianity had made its debut. (Shillingford, 2010, p. 29)

After 1517, Protestantism started a revolt all over Europe against the religious corruption of the Papacy, of the Catholic Church, and of the Holy Roman Empire. When Protestantism started to spread in various parts of Europe, Spain still assumed the role of the protector of Catholicism. Hence they attempted to exterminate all these 'heretics'. Furthermore, Protestantism emerged as a counter-movement challenging Spanish-Habsburg power, and the Spanish-Habsburg empire protected itself against the Lutheran heresy by using its Inquisition and army. The Spanish-Habsburg emperors needed more troops in more fronts, which required new loans. New loans meant higher taxes and higher taxes meant social unrest, class struggle and revolt. Soon inter-state wars and intra-state conflicts became intertwined. This environment created structural opportunities for state-seeking movements to mobilize and structural obstacles for Spanish-Habsburg empire to contain these movements.

Increasing economic problems, religious conflicts, emerging political problems all became important factors which made the sixteenth century extremely vulnerable to revolts, revolutions and conspiracies, which could quickly turn into state-seeking movements. Tax-revolts, for instance, were very closely related to state-seeking movements that emerged in these regions. After all, the "political compacts" established during the Catholic Kings limited the monarchs' ability to increase taxes at their will. Attempts to increase taxes in the peripheral kingdoms were seen as violations of political compacts by the *Cortes*. Attempts to increase taxes at Castile, on the other hand, meant

a violation of the prestige. Hence in one way or another, tax increases meant the unmaking of the political compacts that were established during the material expansion period. Although the mechanisms and dynamics varied to a great degree, these tax increases very often quickly turned into grievances against the Spanish Empire in which "secession" emerged as a possible political solution. Similarly, the inter-state and intra-state conflicts pushed the Spanish-Habsburg monarchs to pursue further centralization which also included the unmaking of the previously distributed "political compacts" or granted privileges. Corteses could easily see kings' attempts for centralization as an intervention to their "sovereignty". If they had an independent kingdom in history, they could demand re-establishing the independence of their kingdom. If not, masses could always emulate the models provided by independent city-state republics in Italy. Furthermore, Protestantism provided a new legitimacy to the demands of secession and a new strategy to achieve it. And from 1520 to 1640, parallel to the deepening of the vicious cycle, state-seeking movements grew in number, in frequency and in strength.

State-Seeking Movements During "the Age of Fuggers": The *Comuneros* and *Germanias*

The early face of the financial expansion period coincided with the revolt of the *Comuneros* in Castile and the revolt of *Germania* in Valencia within the territories of the Spanish-Habsburg Empire. At the first sight, what triggered the *Comuneros* revolt appears to be the ascendance of an "incompetent Fleming" (Charles I) as their king. As Elliott put it:

The new King [Charles I], a gawky, unprepossessing youth with an absurdly pronounced jaw, did not make favorable impression on his first appearance in Spain. Apart from looking like an idiot, he suffered from the unforgivable defect of knowing

no Castilian. In addition, he was totally ignorant of Spanish affairs, and was surrounded by an entourage of rapacious Flemings. [...] The principal complaint of the Castilians was directed against the Flemings, who were alleged to be plundering the country so fortuitously inherited by their duke (Elliott, 2002, p. 144).

Many scholars underlined that Castilians - whose pride was boosted by the state-building policies of Ferdinand and Isabella - saw the ascendance of Charles I as their king as a foreign invasion by the Low Lands. For these reasons, in the literature The *Comuneros* movement of 1520 is often seen as "primarily a national movement against a foreign king and his foreign advisors" (Koenigsberger, 1975, p. 159; Elliott, 2002, pp. 144-159; Anderson, 1974, p. 67). It is true that, especially after Charles became the Holy Roman Emperor, Castilians saw the regime of Charles V as "a new and heavily expatriate court, dominated by Flemings, Burgundians and Italians" (Anderson, 1974, p. 67). But we do not need to associate the *Comuneros* revolt with pre-existing nationalist sentiments. After all, finding existing prejudices against different communities will not be at all difficult in the 16th century Europe. But most of these prejudices did not automatically turn into state-seeking revolts¹⁸.

One of the key factors that triggered the *Comuneros* movement was the spending and debts of this new Emperor. True, the Castilian economy had not collapsed at the time, mostly due to the Genoese activities in trade and production. But the costs of Charles' Empire was increasing radically for reasons discussed above. Thus the main issue at stake was how these imperial costs - including the payments to Fuggers - would

¹⁸ This rule also held for the Castilians. Very recently, in 1506, for instance, the Kingdom of Castile had a Burgundian ruler - Philip I (aka Philip the Handsome or Philip the Fair) - who was born in Bruges. This ascendance was not met with resistance of any kind. Furthermore, as Henry Kamen (2005) underlines, the first contact between the Charles I and the Cortes of Castile was "by no means unfavourable. Charles was not looked upon as an alien [and] the Castilians were anxious to accept their new sovereign" (Kamen, 2005, p. 74). Thus what created the revolt of *Comuneros* in 1520-1521 is more related to the activities of Charles than his "Fleming identity".

be distributed to the different parts of the Empire. The previous privileges given to the Corteses of the peripheral Kingdoms through "political compacts" meant that the emperor could *only* squeeze the resources of the Kingdom of Castile. This was what Charles V did: Under debt pressure, the emperor distributed the tax burden unequally and particularly pressing upon Castile (Marx A. W., 2003, p. 118; Kamen, 2005, p. 74; Elliott, 2002, p. 117). That created the first pillar of the resentment of the Castilians.

Furthermore, similar to "alienation" of the Northern Italian city-states to moneyed interest during financial expansion of the 14th century, the offices of Castile were being taken one by one by "foreigners" (Germans, Flemings, and the Genoese) who were financing Charles. When Charles started to appointing these "foreigners" to Castilian offices, a major part of the privileges distributed to Castilians were undermined. The Castilian Cortes had already reminded Charles in 1518 meeting that Castilian posts belonged to the Castilians and it should remain as such. To avoid breaking this promise, Charles issued letters naturalizing these "foreigners". Soon various lucrative posts and privileges, fief rights of American possessions such as Yucatan and Cuba, licenses to trade black slaves to the Americas, rights to nominate posts in the Castilian possessions were granted to these 'naturalized' Flemings, Germans and Italians. Of course, the previous grandees of Castile, who had all of their privileges in the age of the Catholic Kings, were outraged (Kamen, 2005, pp. 74-75).

Thus what really provoked the Castilian rebellion was not the "foreign" character of the domination per se, but the consequences of this foreign domination for the Castilians. This was a signal that the privileges Castile enjoyed during the age of Ferdinand and Isabella was now over. Because Charles was an emperor, he was no longer

staying in Castile as well. Castile started to become a "periphery" of the new empire. The movement of 1520, hence, was a counter-movement against the privileges that were being unmade.

As Charles tried to squeeze more money from the Castilian Cortes, the Castilian nobility which were brought to power by the Catholic Kings started to pressure more and more upon the lower classes. On May 1520, a group of artisans, mainly textile workers of the woolen industry, invaded the city hall of Segovia and hanged one of the official delegates of the Cortes that had recently been summoned by the King. This was nothing but the beginning of a "wholesale attack on the representatives of royal government in the city of Segovia" (te Brake, 1998). In the next four months, other cities and towns of Castile - which were the backbones of the *Santa Hermandad* - joined this large scale revolt. The *Comuneros* movement began in the cities, towns and communes with popular uprising against the royal officials of Charles V, soon it turned into a social struggle against the nobility and transformed into a social revolution (Elliott, 2002, pp. 155-157; Merriman, 1996, p. 192; Tilly, 1993, p. 84). Soon these cities proclaimed the *Sancta Junta de Comunidad*, the Sacred League, which claimed power as the sole legitimate government of Castile (te Brake, 1998). Although this experience did not last long for us to observe the kind of social-political formation the *Comunidad* was about to create, it was clear that they demanded further autonomy and they decided to achieve it themselves¹⁹. There is evidence of discussions inside the *Comunidad* to "abolish the monarchy and follow the Italian ideal by setting up independent city-states in Castile" as

¹⁹ According to Perry Anderson, the *Comunidad* had a 'federative' and 'proto-national' programme of revolutionary Junta and it is basically a "revolt of the Third Estate" (Anderson, 1974, p. 68).

well, but this never became the dominant ideal. The common denominator of the demands of the *Comuneros* was the preservation of the Old Castile. The *Comuneros* movement, which is sometimes regarded as the first modern revolutionary movement, was actually a conservative / protective movement aiming to restore of the old order. This led Elliott to argue that the *Comuneros*

was a movement *against*, rather than *for*, any particular object: in so far as the *Comuneros* animated by any constructive ideals, these constituted in the preservation of the old Castile - a Castile untouched by dangerous winds that were beginning to blow so strongly from abroad. In spite of the determination of the nineteenth-century historians to depict the revolt as liberal and democratic, it was in its origins fundamentally traditional, as the demands of the *Comuneros* themselves suggested. The revolt had been sparked off by the attack on the independence of the Cortes and by the desire of the rebels to preserve that independence gave it, at least in part, the character of a constitutional movement. But there was little what was radical in their constitutional demands, other than the request that the towns should have the right to assemble Cortes on their own initiative every three years. (Elliott J. H., 2002, pp. 151-152).

Following in the footsteps of the Catholic Kings who used the these bourgeois towns, *Santa Hermandades* and a segment of the new nobility to suppress the old aristocracy in Castile, Charles V used the old aristocracy to suppress the movement of the *Comuneros* (Marx K. , 1854). The *Comuneros* army - composed of local militia, rural laborers and a handful of gentry - was no match for the royal army of the Spanish-Habsburg Empire. The latter was by far the strongest army in Europe, and after a year of struggle, the movement was defeated (Elliott, 2002, p. 158; Tilly, 1993, p. 84).

It would be wrong to see the *Comuneros* revolt as emerging out of sporadic political and social problems were peculiar to Castile alone. The problems were, indeed, more structural and "systemic". The simultaneous rebellion in the kingdom of Valencia - the *Germania* revolt - is an evidence of this fact. When the *Comuneros* revolt against Charles V was about to start, the middle classes of the Kingdom of Valencia had already

started to seek alternative forms of governments in the form of city-states and municipalities with republican constitutions like that of Venice (Elliott, 2002, p. 156; Lynch, 1981, pp. 46-47; Kamen, 2005, p. 80).

Unlike the *Comuneros*, however, the rebels of Valencia did not have any problem with the King being a Fleming. The Valencian rebels did not show any sympathy to the *Comuneros* revolt as well. Although the movements occurred simultaneously there was no coordination or cooperation between these movements. The problem for the Valencian middle classes was the increasing oppression by its own aristocracy. Having gained its privileges from the Catholic Kings, the aristocracy of the crown of Valencia was able to impose increasing taxes upon the middle classes, which created resentment in the Cortes of Valencia (Lynch, 1981, p. 47; Tilly, 1993, p. 84). Under normal circumstances, the Cortes could bring these grievances to the king when he came to listen to the Cortes. However, the king - now the emperor - was now an *absent* ruler who repeatedly postponed the meetings of the Cortes of Valencia, thus he failed to listen to the needs and the grievances of these middle classes. This absence also created an opportunity for the Valencian aristocracy to oppress and exploit the bourgeoisie and other lower classes without much fear from above. The bourgeoisie and other lower classes were not able to protect themselves against this armed aristocracy in the absence of their kings and in the absence of weapons to protect themselves. It was precisely this problem the Valencian commoners were trying to solve.

Ottoman pirates, who were constantly ripping off the Valencian merchant-traders in the Mediterranean gave an opportunity for the Valencians. Under the growing threat of the Ottoman pirates, the guilds of Valencia demanded protection from the king. Finally

in 1519, represented by a Catalan weaver, Juan Llorenz (or Llorenç), the urban residents of the Kingdom of Valencia - the middling burgesses, weavers, spinners, artisans and merchants - got permission from the King to form a *Germania* (a horizontally-bounded brotherhood and militias) to protect themselves as the old Italian city-states used to do. However after establishing the *Germania*, the Valencian middle classes used these brotherhoods to spread their revolt against aristocracy all over the Kingdom of Valencia. The movement soon turned into a full-fledged class struggle. On the one side of the conflict, there was an alliance of poor craftsmen, artisans, small farmers, laborers, lower clergy and merchants; on the other side was the aristocracy and the Morisco labour which was in competition with the Catalan labor. Soon this class conflict turned into a social revolution, which rapidly gained an anti-Muslim (because of the morisco labor) and anti-*conversos* (because of the *converso* nobility) character (Lynch, 1981, pp. 220-221; Koenigsberger, 1975, p. 160). Only when the King, who was originally busy with the *Comuneros* came to suppress the movement, the *Germania* gained an anti-royal character as well. Until then, this Germania revolt was a full-fledged class-struggle. But when the *Comuneros* revolt gained an anti-royal character, the middle classes of the Kingdom of Valencia started to seek alternative forms of governments in the form of city-states and municipalities with republican constitutions like that of Venice (Elliott, 2002, p. 156; Lynch, 1981, pp. 46-47; Kamen, 2005, p. 80). However, they were not successful. Together with the *Comuneros* the revolt of the *Germanias* was also crushed before they were able to establish an independent political units of their own.

The *Comuneros* and the *Germania* revolts did not have a long-lasting effect on the Spanish-Habsburg Empire. They lasted for a short period of time and crushed

relatively easily by the emperor. But after 1520, the negative effects of the price revolution, inter-state and intra-state rivalries started to intensify and the macro-structural environment became more fertile for state-seeking mobilization. From 1520 to 1555, Charles V entered a series of wars with France. In the same period, his brother Ferdinand - now the king of Hungary - was facing the Ottoman threat in the Eastern borders, who were enjoying their golden age under Suleiman the Magnificent. When Francis I of France and Suleiman the Magnificent of the Ottomans made an alliance in 1536, this double threat became much more serious for the Spanish-Habsburg Empire. These wars and threats created opportunities for German peasants to "turn Swiss" after 1524. These German peasants started to emulate the model provided by the Swiss towns who lived without lords and were self-governing and independent (Merriman, 1996, p. 106). Hundreds of thousands of peasants, under the leadership of Thomas Müntzer, rose up against their lords demanding the return of their rights of free hunting and freely pasturing the animals, abolishment of serfdom and the tithe in parts of the southern German states. There was also a number of new movements such as *Lutherism*, *Illuminism* and *Erasmism* in different parts of the empire. Especially in Germany, where the princes were already trying to secede from the papacy to control its own taxes, these movements became significantly powerful. And for the Spanish-Habsburg empire, which represents itself as the protector of Catholicism, these movements were posing a serious threat.

Although Charles V wanted to stop these new "*heretics*", his struggle with France was keeping him away from focusing on these movements. Furthermore, his brother Ferdinand desperately needed the help of German princes to defend the Eastern borders against the Ottomans. Hence Charles V was forced to give concessions. In 1530 Charles

V called the princes and free territories of Germany to explain their religious conviction. Instead of restoring the political and religious unity in the Empire, this "Augsburg Confession" became the most important document of the Lutheran Church and encouraged these free cities and states by forming the "League of Schmalkalden" in 1531. Charles V's struggles against France and the Ottomans kept him busy to intervene to this league until 1546. Even if Charles wanted to smash these movements, his financial resources were decreasing. By 1555, it became evident that Fugger's empire of capital was no longer able to meet the demands of the Spanish-Habsburg monarchs. Coincidentally, this was when the "Peace of Augsburg" (1555) was made. The peace provided temporary stability in the region only by making the legal division of Christianity permanent. The *cuius regio, eius religio* principle now officially accepted by the Peace of Augsburg gave the rulers of 224 German states the right to select their religion. But the stability provided by Peace of Augsburg (1555) proved to be temporary. After 1555, it became clear that the principle of *cuius regio, eius religio* could be interpreted the other way around and could be utilized for other Protestants in the European territories to establish new states for their own. Thus from 1560 onwards, there emerged another wave of state-seeking unrest. The Seventeen "Dutch" Provinces played the most critical role in these events.

State-Seeking Movements During "the Age of Genoese": The Revolt of the Seventeen Provinces

State-seeking movements during the Genoese financial expansion period were far more radical and stronger than *the Comuneros* or *the Germania* revolts. The Dutch revolt that started in 1566 and lasted until 1648, for instance, became the most serious threat

against the Spanish Empire. According to Gorski (2000) this successful revolt was a "nationalist" one even by the definitions and standards of the modernist theorists of nationalism. In their representation of the Dutch revolt, many historians emphasized how "anti-Spanish", "anti-absolutist", "anti-Catholic" sentiments in the Dutch provinces created a strong "nationalist" collective identity, which eventually led to the formation of the independent Dutch Republic. Although all of these factors played an important role, from our perspective, the differences between the Dutch provinces and the Spanish monarchy lie elsewhere.

In contrast to the vicious political-economical atmosphere that prevailed in rest of the Spanish-Habsburg empire, in the sixteenth century, production and trade in the Low Countries (including the Netherlands) were growing rapidly. Since 1550s, merchant-traders of the Low Countries were borrowing heavily from the international markets - especially from Genoa and Venice - and turning them into productive activities (Marx, 1992, pp. 919-920; Wolf, 1997, p. 115). Thus during the Genoese financial expansion period, a large amount of Genoese capital also started to flow into these lands and gave rise to a material expansion (C—M—C') cycle. Together with fishing, shipping and ship-building activities such as piracy and privateering were also very common among these Dutch merchants. Although the Spanish-Habsburg empire was in crisis, production and trade in these lands were burgeoning.

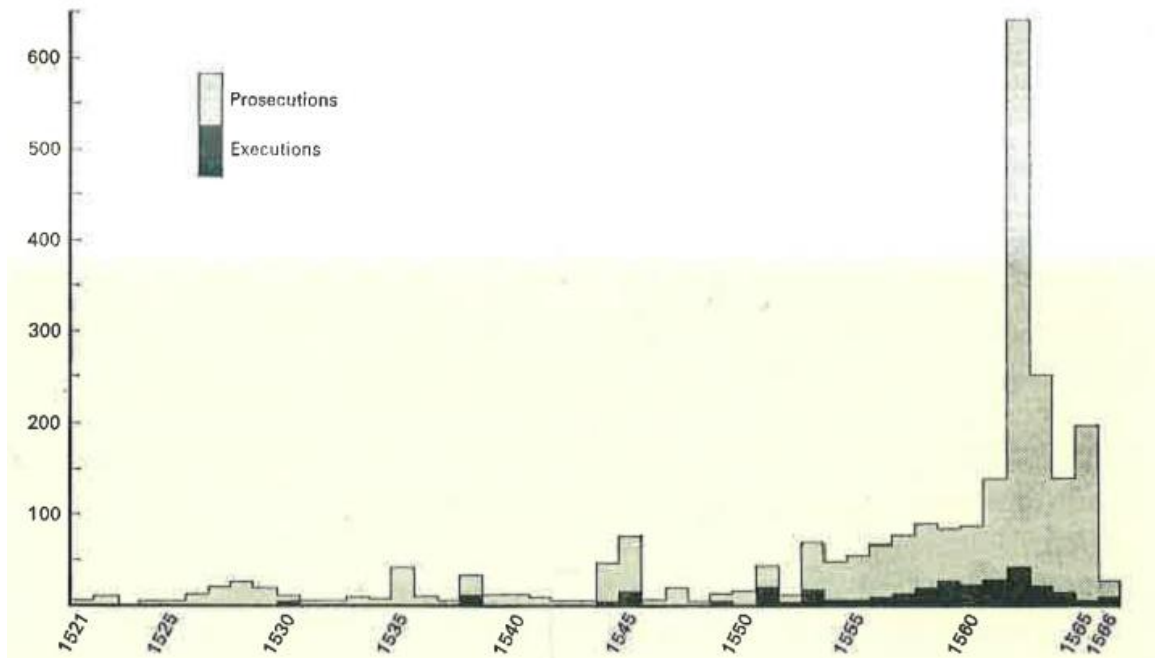
There was another important opposition between the Spanish Empire and the Low Countries which contributed to the rise of Dutch economic power. In the early 16th century, Amsterdam and many other cities of Low Countries started to host Jewish and *converso* merchant-bankers who fled from Spain to avoid religious and economic

persecution. In the second half of the 16th century, the religious dissenters from Germany, Wallonia and Flanders with similar stock of capital and skills started to migrate to these Dutch cities as well (Wolf, 1997, pp. 115-116). In a way, the exclusionary state-building policies of the Iberian monarchs created an environment which attracted many merchant-traders and bankers who had to flee because of their religious preferences. Thus the political atmosphere in the Low Lands started to emerge as an anti-thesis of the Iberian peninsula.

These Dutch merchants, however, were becoming extremely unhappy about the Habsburg war policies, increasing taxes, attempts for further centralization and intolerance to non-Catholic religious groups. As early as the 1530s, merchants in the Netherlands started to complain that, among other things, they were paying for the conquest of Italy (Kamen, 2005, p. 85). The 1539 tax resistance in Ghent, which turned into a violent revolt and was firmly suppressed by the emperors' army, was the harbinger of the upcoming unrest (Lynch, 1981, p. 106; Kamen, 2005, p. 85; Tilly, 1993, p. 58). By the mid-1550s, in the Netherlands, the Dutch nobles and officials started to resent higher taxes imposed by the Spanish crown (Merriman, 1996, p. 219). As the power of Fuggers declined and as the imperial finance went bankrupt in 1557, the merchant-bankers of the Netherlands knew that Philip II would try to make the Netherlands pay for the costs of the empire. After all, Netherlands - now - was the richest part of the Empire. This was a major source of grievance against Philip II. Surely, the Protestant political entrepreneurs in the seventeen provinces were utilizing these grievances for their causes in a very effective manner.

Although with the Peace of Augsburg (1555) religious freedom was recognized in German principalities, the Spanish state had no interest in losing its own territories to Protestants. Thus starting from 1555, the Spanish monarchy increased its religious control on the Low Lands, where Protestantism (especially Calvinism) found support both among the lower and the upper classes. As records showing the persecution of heresy in the province of Flanders indicate (see Figure IV-7), in the mid-1560s, the persecutions and executions of heresy rose to unprecedented levels.

Figure IV-7: Persecution of Heresy in the Province of Flanders, 1521-1566



Source: Parker (1977, p. 63)

Soon after Philip II ascended to the throne and started these policies, the Netherlanders started to mobilize against this "Catholic Reformation" imposed by the Spanish Inquisition (Merriman, 1996, p. 219). They turned the *cuius regio eius religio* principle upside down. Since they had a different religion from their state, they could establish a state for their own. Although their economic and political grievances existed

since 1530s, after 1560s Dutch merchant-traders made their religion an explicit cause of their war of independence. That's how the Dutch War of Independence started in the 1560s (Parker, 1977, pp. 19-67; Hart, 2000, pp. 16-19; Parker & Smith, 1978, pp. 15-18; Arrighi, 2010, p. 43).

The trajectory of Dutch War of Independence became different from the *Comuneros* and the *Germania* movements. The seventeen provinces were the richest part of the empire which managed to link its capital with military-technologies. "By rediscovering and bringing to perfection long-forgotten Roman military techniques, Maurice of Nassau, Prince of Orange, achieved for the Dutch army in the early seventeenth century what scientific management would achieve for US industry two centuries later" (Arrighi, 2010, p. 47; McNeill, 1982, pp. 127-39). During their war of independence, Dutch merchants did not stop trading with their enemies either. Spain constantly needed timber and naval stores and the Dutch merchants gladly provided them (Wolf, 1997, p. 116).

If the ability to bring together war-making and profit-making capacities was the advantage of the Seventeen Provinces, the lack of capital resources was the primary disadvantage of the Spanish-Habsburgs. When the war took place the overseas, the Dutch had an explicit advantage against the Spanish fleets. When it took place in the mainland, Spanish forces were able to defeat the rebels and capture the cities. However since there was no money in Madrid to be sent to the Spanish military forces in the Low Lands, these troops had to extract the necessary funds from the local populations, which created an ongoing antagonism between the populaces and the Spanish forces, and led to the continuation of grievances (Tilly, 1993, p. 62). With a combination of these factors,

seven of the seventeen "Dutch" provinces not only managed to resist the Spanish forces but also gained their *de facto* independence by the late 16th century.

But these factors still do not explain who the Dutch managed to gain its final victory against the Spanish forces in the course of their struggle. As one Dutch writer put it in 1617, the Dutch-Spanish conflict originally resembled the conflict of "a mouse against an elephant", which required the mouse to gain a number of allies for its cause to even the score (Parker, 1978, p. 72; Taylor P. , 1996, p. 55). In the early phases of the struggle, "the Dutch cause was offered active support, paradoxically enough, only by the Ottoman Turks" (Parker, 1978, p. 59). However, soon, the Dutch realized that in order to gain their independence, they needed to ride the tiger of Calvinism and polarize the international politics by leading a large coalition of dynastic states against the Spanish-Habsburg empire and towards the liquidation of the medieval system of rule (Parker, 1978; Arrighi, 1994, p. 43). Hence by the seventeenth century,

The [Dutch] Republic was in the process of forming alliances 'with all the princes and potentates who ... opposed the tyranny and the claims to universal monarchy of Spain, such as the kings of France, England, Denmark and Sweden, with the Republic of Venice, the Henseatic League and others.' The 'others' included Branderburg (after 1605), Muscovy (after 1631), Transylvania (after 1626), the Turks (after 1611), Morocco (after 1608), and Algiers and Tunis (after 1622). These allies were not idly chosen. The motive for the treaties was often explicitly admitted to be 'because the same towns or kingdoms had ... a powerful hostility towards Spain' (Parker, 1978, p. 65).

This was not the whole story. In the course of their struggle for independence, the Dutch made their best to sap the Iberian-power in Asia. Especially after the establishment of the V.O.C. (*Vereenigde Oostindische Compagnie*) in 1602, the Dutch made agreements with forces which were under the Spanish/Portuguese occupation in order to expel the Iberian forces from Asia.

In 1602, a Dutch expedition under Joris van Spilbergen arrived in Ceylon, the center of cinnamon production, bearing an offer from Prince Maurice of Nassau to aid the King of Kandy against the Portuguese. The offer was renewed in 1612 and it was eventually taken up in 1636: for twenty years the Dutch and the King of Kandy co-operated to expel the Portuguese from the island. Much the same pattern of anti-Iberian activity was repeated elsewhere: on the Coromandel coast of India (where the Dutch established trading contacts in 1605, thanks to the intervention of a local Jewish resident), in Indonesia, in China and above all in Japan. (Parker, 1978, p. 71)

In short, in the course of their war of independence, the Dutch state-seeking movement did not only take advantage of the existing inter-state and intra-state conflicts in Europe, but they also contributed to the intensification of existing conflicts to a great extent. This was one of the reasons behind the emerging chaos of the 1640s.

State-Seeking Movements During the Chaos of the 1640s

In the last quarter of the 16th century, the "price revolution" reached its height, the costs of the empire intensified and Europe faced a number of financial crises - most notably in 1575, 1596, 1607 and 1627 - which were mostly Spanish in origin (Braudel, 1992, pp. 162, 169-73; Arrighi, 2010, p. 128). By the 1620s, the "crippling economic weakness of Castile", de facto independence of the *Dutch Republic*, and the increasing "demands of foreign warfare" pushed Madrid to change its strategy regarding the rights and privileges of the peripheral kingdoms. As Elliott (1970, pp. 117-118) underlined, "this new policy was aimed at mobilizing all the resources of the Spanish Monarchy at war; and this mobilization a vigorous attempt to exploit the reserves of wealth and manpower of every kingdom and province regardless of its rights and privileges". This was a definite turning point:

Here we find that the years around 1620 mark an important change in the dominant social groups of Catalonia and Portugal. This change may be summarized as a transition from neglect to intervention, from an excessive degree of indifference to an excessive degree of interest in Catalan and Portuguese affairs (Elliott, 1970, p. 117).

The centralization policies of the 1620s were not only directed toward Catalan and Portuguese affairs. With the reform of Count-Duke of Olivares, the "conglomerate of kingdoms" bounded together by "Catholic faith" started to transform into an absolutist kingdom. There were rumors that Olivares aimed to establish "*one king, one law and one coinage*" in the kingdom. This meant that the remaining rights of the peripheral *Cortes*es would be taken away. Mostly as a reaction to this increasing centralization efforts, by the 1640s, the Spanish monarchy as a whole became the center of the chaos.

As many historians noted, the 1640s was a decade of revolutions, revolts and of conspiracies for the Spanish Monarchy (Elliott, 1970, p. 109; Parker & Smith, 1978, pp. 7-19). In the 1640s, the Spanish monarchy's problems with the United Provinces were not yet over. However, in addition to these ongoing problems an outstanding number of new revolts in the periphery of the monarchy started. First, combining elite and popular movements, Catalonia started to follow in the footsteps of the United Provinces and rebelled against the Spanish monarchy in the spring 1640. "The pamphlets produced by the Catalans to justify their rebellion suggest that they were conscious of following a path which the Dutch had trodden before them" (Elliott, 1970, p. 112). Inter-state rivalry between France and Spain, and the ongoing Thirty Years' War, also helped Catalan mobilization (Minahan, 2002, p. 405) and Catalans finally declared their independence, which lasted until 1659 (Tilly, 1993, p. 84).

During the Catalan revolt, Olivares ordered the nobility of Portugal - which was annexed by Philip II in 1580 - to aid the Castilian assault on the Catalans (Tilly, 1993, p. 85). However, this order backfired. Rather than aiding the Castilian cause, the Portuguese nobility also started a war of independence against the Spanish Monarchy on

December 1640 and they gained their independence very soon. Through this secession, the Spanish Kingdom also lost its territories in the East Indies and Brazil, which were equal to losing six or seven kingdoms in size.

But this was not the end. A few months later, in 1641, a conspiracy was unearthed for the throne of an independent Andalusia. Andalusian nobility put forward a plan of secession. Although their intension is still not clear, it has been widely accepted that they were planning to lead an Andalusian uprising against Philip IV and to declare Gaspar Alonso Perez de Guzman - the ninth Duke of Medina Sidonia - as their new monarch. However, their conspiracy was soon revealed and they were defeated before they attempted their independence.

Six years after the Andalusian conspiracy, there were popular rebellions and upheavals in Sicily and Naples. In 1647, the people of Naples revolted against the Kingdom under the leadership of a fisherman, Tomasso Aniello (a.k.a. Masaniello). What triggered the revolt was the new sales tax imposed on fruits. However the rebellions did not merely ask for the abolition of the taxes. They also demanded a reform in the city administration, which would weaken the hold of the nobility. On October 1647, when their demands were not met, the rebels proclaimed a republic. This republic lasted until April 1648, when the Spanish royal armies and nobility restored order in Naples.

Similarly, in 1647 in Sicily, the people of Palermo revolted against the Spanish government under the leadership of a miller named Antonino La Pilosa. The revolt occurred in the midst of a famine and crop failures. The main demands of the Palermo revolt were the abolition of the 'five *gabelles*': the taxes on grain, wine, oil, meat and

cheese. Rebels broke into prisons and released 600 prisoners, who also joined the insurrection. The size of the Spanish garrisons in Palermo and in Sicily in general was not sufficient to suppress the movement. Down with the taxes and long live king, down with bad government. According to many witnesses of the time, the movement was exclusively a "lower class" movement. The movement was stopped only by giving the rebels what they wanted. As Koenigsberger (1946, p. 133) explained, "the Viceroy's concessions, however, went considerably further: apart from restoring the loaves to their former weight (or even increasing them) and abolishing the five *gabelles*, he issued an amnesty to those who had escaped from prison, disbanded the Senate and granted the people the right of electing two Popular Senators." Very soon, Guiseppe d'Alesio - a controversial figure of the rebellion who is often referred to as a leader of the movement - became the city's ruler, but the radical segments of the rebellion who saw d'Alesio as a traitor and a comprador of the nobility executed him. As a consequence, in September 1647, the Palermo revolt was suppressed.

In the midst of this chaos, Arthur Hopton, the British ambassador in Madrid, wrote "I am induced to think that the greatness of this monarchy is near to an end..." (Elliott, 1970, p. 109). Actually the greatness of the empire had already ended, the intensification of state-seeking movements were not the symptoms but the consequences of this simple fact.

V. BETWEEN ABSOLUTISM AND DEMOCRACY: NATIONALISM DURING THE DUTCH SYSTEMIC CYCLE

It would be wrong to count the revolt of the Seventeen Provinces *simply* as one of the movements that belonged to the wave of state-seeking movements of the late 16th and mid-17th centuries. The Dutch revolt was radically different from its contemporaries. Together with the Portuguese secessionist movement, it was one of the two movements that managed to gain its independence from Spain in the 17th century¹. But unlike the Kingdom of Portugal, the Dutch provinces did *not only* become independent *but also* rose to global political and economic preeminence. They started a new systemic cycle of accumulation and reorganized the world capitalist system in the 17th century.

The Dutch systemic cycle was different from its previous - the Genoese - counterpart. Genoese merchants were traders in diaspora who had to engage in "political exchange" with the Iberian rulers. The independent provinces of the Low Countries, however, managed to synthesize market-making capacities of the Genoese with the state-making and war-making capacities of the other northern Italian city-states (e.g. Venice and Florence). Thus they did not need another territorial kingdom to protect their trade activities. Neither did they need to hire additional mercenaries. They provided their own security. This "internalization of protection costs" helped them to consolidate their territorial unity as well (Arrighi, 2010, pp. 42-46). Before their war of independence they

¹ It should be underlined that only seven of the seventeen provinces were able to gain their independence.

were nothing more than a loosely coordinated, heterogeneous collection of autonomous city-states. Afterwards they became "the United Provinces"², which was more than a collection of city-states but still less than a nation-state as we understand it today (Arrighi, 2010, pp. 42-47; Taylor P. , 1996, pp. 48-57).

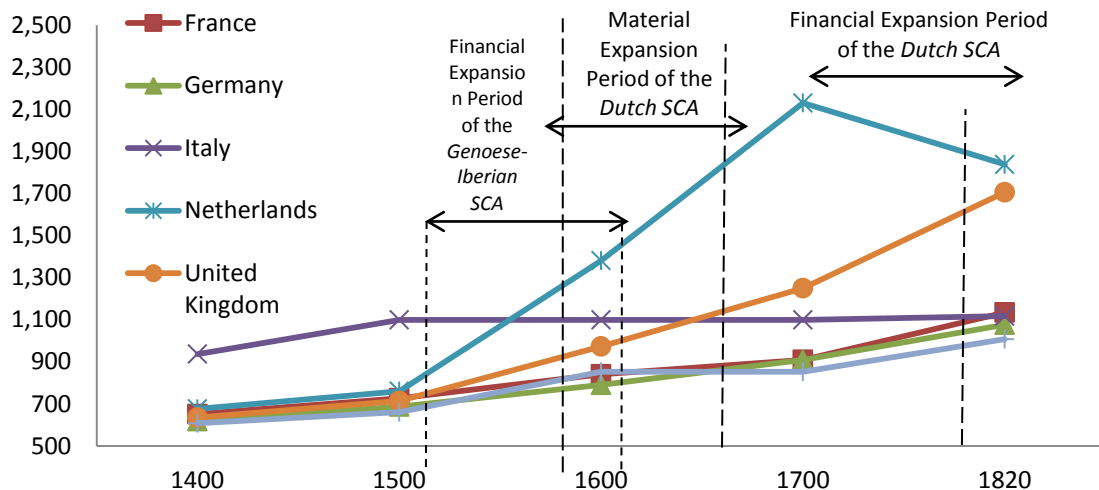
Moreover, the power of the United Provinces spread far beyond its own territories. Politically and economically they became a major political actor in European politics. In the course of the Eighty-Years War, they gained the intellectual and moral leadership of other European states, shaped the interstate system of Europe in the 17th and early 18th centuries and started the period which is often referred to as "Dutch Hegemony" (Arrighi, 1994, pp. 42-47; Taylor P. , 1996, pp. 44-59). This was the first hegemony of the world capitalist order.

In this chapter, we will analyze the transformations of state-society relationships, state-building activities and historical trajectory of state-seeking movements during the Dutch systemic cycle of accumulation. This is a long period which spans from the late 16th to early 19th centuries. To provide a more coherent analysis, we need to distinguish different epochs of the Dutch systemic cycle. The Dutch material expansion (C—M—C') period spans from mid-16th century to late 17th century. As Figure V-1 shows, in this time period the wealth of the United Provinces surpassed all other great powers of Europe. In the late 16th century, various port cities of the Seventeen Provinces had already started to serve as *entrepôts* for all the world (Tilly, 1993, p. 55). In 1602, one year after the British, they established the Dutch East Indies Company (VOC) and

² "United Provinces" is the name for the seven of the Seventeen Provinces who managed to break away from the Spanish control and achieved independence.

became one of the strongest participants of the East Asian trade. Dutch merchants mainly engaged in fishing, overseas trade, and other productive activities that supported this trade. Soon they established a commercial empire of "fish and ships", which was economically much stronger than its rivals.

Figure V-1: GDP per Capita of Selected Powers of Europe, 1400-1820



Source: Constructed using Maddison Tables, Maddison (1996). 1990 International Geary-Khamis dollars.

The rise of Dutch economic activities, however, is not sufficient to explain the rising Dutch power. An integral part of Dutch hegemony was her political achievements. In the mid-17th century, she "became hegemonic by leading a large and powerful coalition of dynastic states towards the liquidation of the medieval system of rule and the establishment of the modern inter-state system" (Arrighi, 1994, p. 43). While fighting against the "elephant", the "mouse" transformed the existing world order.

We can take Peace of Westphalia (1648) as a date which symbolizes this "hegemonic consolidation". But it is very difficult to say when the Dutch started to lose this hegemonic power. By the late 17th century, the Dutch had already started to lose their political power in this Westphalian system. Economically, however, there was a

virtuous cycle until the 1750s. The economic stagnation of the era and the signal crisis of the Dutch systemic cycle started after 1760, which coincided with the Dutch financial expansion period (M—M') (see Figure V-1). Thus following Arrighi, we can take the year 1760 - beginning of the signal crisis of Dutch hegemony - as a turning point.

Figure V-2: State-Seeking Movements in Europe and American Colonies, 1470-1815

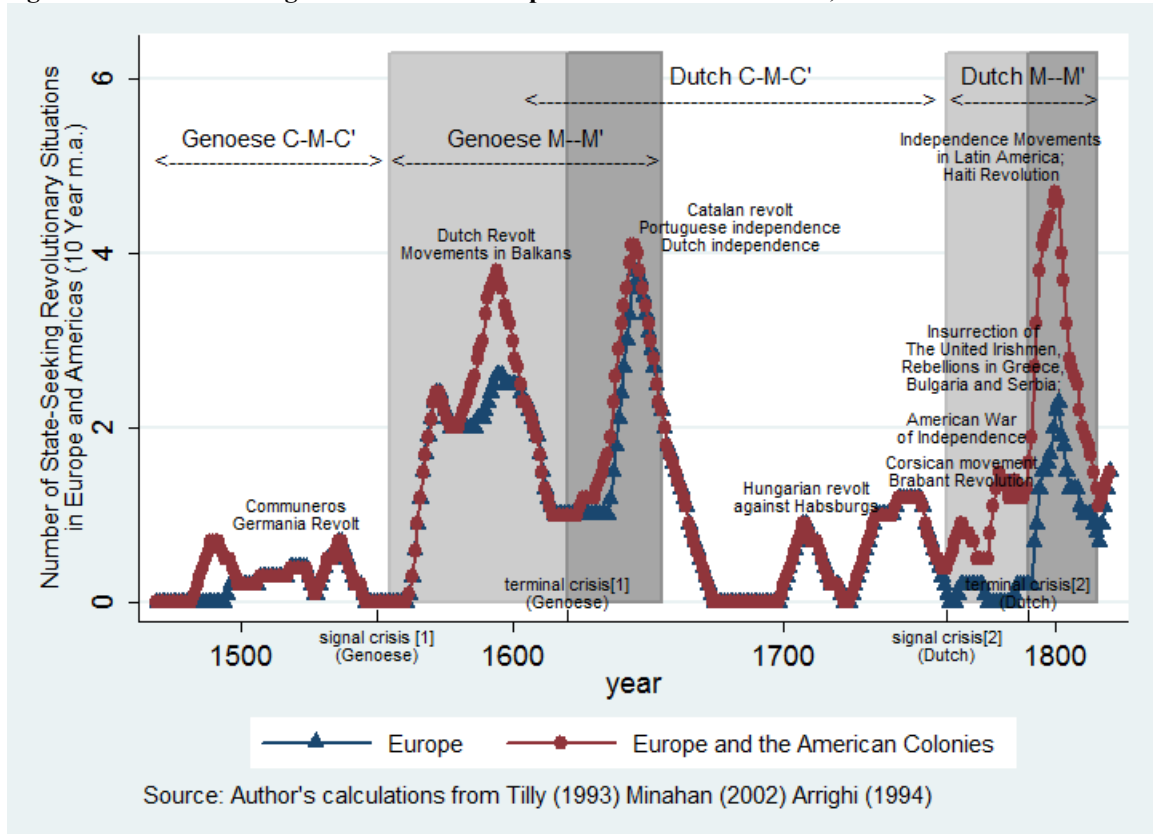


Figure V-2 summarizes the trajectory of state-seeking movements in Europe and in North American colonies from 1470 to 1815. This figure expands the pattern we discussed in Chapter IV (see Figure IV-2) both in time and space. In terms of time, it provides us the historical trajectory of state-seeking movements during both Genoese-Iberian and Dutch systemic cycles of accumulation. Hence we can see (1) how state-seeking movements that erupted during Genoese financial expansion period were contained during Dutch material expansion / hegemonic consolidation period (1648-

1760) and (2) how state-seeking movements erupted once again during the Dutch financial expansion period (1760-1815). In terms of space, we surpass the borders of the Spanish and Habsburg empires by adding the rest of Europe and the North American colonies into the scope of our analysis.

In this chapter, we will pursue our analysis in three steps. First we will focus on the Dutch material expansion (C—M—C') and hegemonic consolidation period. In this section, we will zoom into the main geographies of production and trade during the early material expansion period, analyze the transformations in state-society relationships that occur in these lands, discuss how these transformations affect the contemporary conception of the "nation", and examine various consequences of the Dutch hegemonic consolidation in Europe for state-led and state-seeking nationalist activities as a whole. We will argue that with the establishment of Peace of the Westphalia (1648) and the establishment of the Westphalian inter-state system, new forms of state-building strategies emerged in Europe which managed to contain state-seeking movements in European continent and in colonies.

In the second part of our analysis, we will investigate effects of the Dutch financial expansion period (M—M'), emerging vicious cycle and demise of Dutch hegemonic order on state-led and state-seeking activities as a whole. We will argue that together with the decline of the Dutch hegemony and the emergence of a vicious cycle, a new and stronger wave of state-seeking movements emerged on both sides of the Atlantic. We will discuss various different forms of state-seeking movements (such as the American War of independence, various indigenous and *creole* nationalist movements in Latin America, nationalist movements in Europe that emerged as a

consequence of French Revolution, rise of Irish nationalism in England and slave revolutions such as "Haiti Revolution" etc.) in relation to the changes in the macro-political economic climate and financialization.

In the third part of our analysis, we will compare the forms of state-seeking movements that belonged to the Dutch financial expansion period with forms of state-seeking movements that emerged in previous epochs of financialization and discuss how state-seeking movements and state-led movements have evolved and transformed in the course of these long centuries.

Transformation of "Nations" and Containing State-Seeking Revolutions During the Dutch Material Expansion Period

State-seeking movements of the Genoese-Iberian financial expansion period - that we examined in previous chapter - can be broadly categorized under two major groups: (1) Movements which had high popular and low aristocratic participation (e.g. Naples and Sicily in the 1640s) and (2) movements which had high aristocratic and low popular participation (e.g. Portugal and Andalusia). Movements in the first group were very similar to the revolts and revolutions that occurred in North-Italian city states during the financialization period of the 14th century. These movements combined a high level of working class and bourgeois participation. As their slogans "Long live the King and Down with the Taxes and Bad Government!" (Gilbert, 1975, p. 33; Elliott, 1970, p. 114) also illustrate, they were not necessarily against their own kings. The main problem for them was the existence of aristocratic classes, more specifically the feudal nobility. These movements chose to form autonomous city-states especially when their king was

absent to "protect" them against the oppression of the feudal nobility. Probably because of their similar class composition and geographical proximity, these movements often "emulated" the constitutional rule of the Venetian city-state. When faced with the armies of the king or of the aristocracy, it became clear that these movements were not strong enough to gain victory. Their lack of command of means of violence was the primary source of their weakness. That's why they were strongest in places where they found an opportunity to establish militias in the shape of brotherhoods. Otherwise they all failed³.

Movements in the second group were radically different in these respects. At the core of their revolts lied the reaction of an aristocratic class or a former line of kings against another king. They had the memories of a historic kingdom of their own and demanded to revive that kingdom. They were stronger movements because they commanded their own means of violence. Thus when they had an opportunity for insurrection they posed significant threats to the kingdoms and their likelihood of success was much higher (Elliott, 1970). Finally and most importantly, these aristocratic movements had a very low level of popular participation. This is mostly because their livelihoods were based on taxes squeezed from the merchant-traders and other lower classes.

But the revolt of the Seventeen Provinces did not fit in any of these groups. Unlike the Andalusian and the Portuguese movements, the revolt of the Seventeen Provinces did not try to crown a king of their own and they were not isolated from the

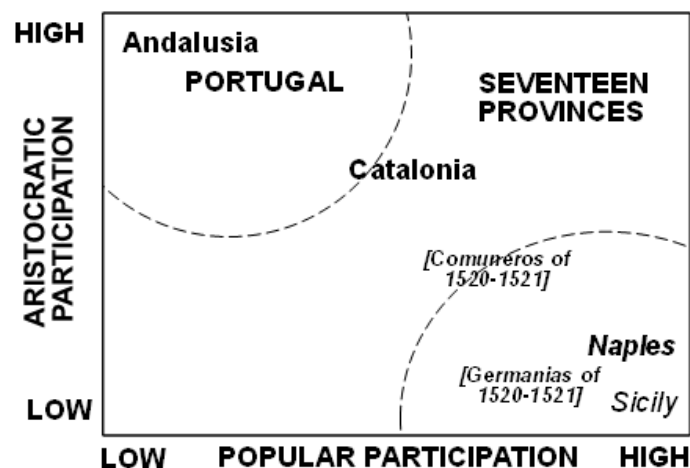
³ We can also add the *Germania* movement of the 1520s in this group. We must keep in mind that the *Germanias* movement was not limited to a city but it spread to all territories of the Kingdom of Valencia. And secondly unlike other movements (such as Naples or Sicily) they did not have close proximity to other Italian city-states.

bourgeois elements. On the contrary the Dutch revolt ended up establishing a "Republic". For these reason, many scholars and historians characterized the Dutch Revolt as a *bourgeois revolution*. But unlike the ideal type bourgeois revolts (or other contemporary popular revolts such as the ones in Naples and Sicily), Dutch merchants did not develop a stance against nobility either. The bourgeoisie was still a dominant class in the movement, but, as Hart observed,

[n]othing about their grievances was specifically bourgeois [...]. No ideological stance was developed against the nobility as such. On the contrary, most leaders of urban communities shared their distress with the local noble men. In the Provincial Estates, they joined together to attack Spanish rule (Hart, 2000, p. 30).

In the 1580s, merchants and traders of these Seventeen Provinces even sought and made offers to German, French and English candidates for royal replacement of Philip II (Taylor P. , 1996, pp. 50-51). In 1614-1619, they also considered the possibility of personal union with the British Crown under Elizabeth, who offered very favorable terms to Dutch merchants (Arrighi, 1994, pp. 134-135; Hill, 1967, p. 123). But they did not choose any of these options. They ended up making a political exchange with their "House of Orange" who had strong war-making and state-making capacities.

Figure V-3: State-Seeking Movements in the Spanish-Habsburg Empire Differentiated by Class Composition, 1520-1650



Thus, in terms of its class composition, the movement of the Seventeen Provinces was novel. The Dutch revolt managed to combine the interests of the Dutch merchant-traders and the Dutch nobility. It created a new nobility which had interests in profit-making and a new bourgeoisie which had interests in state-making. During the Dutch revolts both the bourgeois class and the aristocratic class were mobilized at the same time.

Because this political coalition did *not* occur in an isolated location of Europe but in a geography which was gradually rising to the global political and economic preeminence, the effects of the emergence of this new society were dramatic. Historical studies reveal that until the mid-16th century, "nation" was a derogatory term, reserved for groups of foreigners coming from the same geographical region (Zernatto, 1944; Greenfeld, 1992, pp. 4-9). Furthermore, the term was frequently used to refer to "foreign merchants" (Hobsbawm, 1992, p. 16). In Spain for instance, the term "nation" was used as a synonym for foreigners, especially those "[foreign] traders living in a [Spanish] city and enjoying privileges there" (Hobsbawm, 1992, p. 16). The Genoese merchants in Spain, for instance, were *a nation*. In *The Long Twentieth Century*, Arrighi (1994, pp. 129-130) also underlined this particular meaning when he talked about "nations of merchant-bankers in diaspora" (e.g. Genoese "nation", Florentine "nation", German "nation", or Dutch "nation" using the term *nation* in quotation marks).

After 1550s, however, the historical development of the Dutch "nation" differed from other "nations" in three different ways. First of all, when Dutch merchant-traders started to make political exchange with their own nobility, and when they consolidated their "market-making" and "state-making" activities, they were no longer a "nation" in

diaspora. They were a "nation" in its own land. Secondly, the political exchange of the Dutch merchant-traders with the Dutch aristocracy led to the creation of a new social formation. This "new aristocracy" of the Dutch nation combined both "popular/bourgeois" and "aristocratic" interests. Thirdly, although the term "nation" had derogatory connotations at the time, this "Dutch nation" was moving toward global political and economic preeminence. And they were highly prestigious.

Curiously, Liah Greenfeld's (1992) famous argument regarding the "zigzag pattern" of semantic change of the term nation, for instance, examines similar developments in 16th century England. Greenfeld argues that in the 16th century, in England, the term "nation" started to signify "people" for the first time. It "lost its derogatory connotation and, now denoting an eminently positive entity, acquired the meaning of the bearer of sovereignty, the basis of political solidarity, and the supreme object of loyalty" (Greenfeld, 1992, p. 7). Greenfeld (1992) also underlines that this change occurred together with the emergence of a "new nobility" in the region.

The new - Henrician - aristocracy differed from the once it replaced both in terms of functional basis and in terms of its members. [...] The majority of the new creations were people of modest birth but remarkable abilities and education. They were recruited from the minor gentry or even humbler strata. The aristocracy, in fact, changed its very nature and became open to talent. [...] The redefinition of nobility in the literature as a status based on merit and not on birth, was a simple acknowledgement of this change, the transfer of authority from one elite to another, which was virtually happening before one's eyes. A fundamental transformation of this kind, however, required a justification which were not to be found in the acknowledgement. *It is at this juncture, I believe, that nationalism was born* (Greenfeld, 1992, p. 47).

Greenfeld's arguments are instructive for our purposes. However our explanation is different from Greenfeld's in two respects. First we argue that the meaning of nation did not transform from an "elitist" to a "popular" connotation as she suggested. In the 16th century, the term "nation" never implied "people" as we understand it today. But -

as she also observes - new nations of the 16th century referred to a new social group which was neither purely elite nor purely bourgeois. This group, known as "new nobility", combined aristocratic and bourgeois elements simultaneously. It was a peculiar social formation of this era.

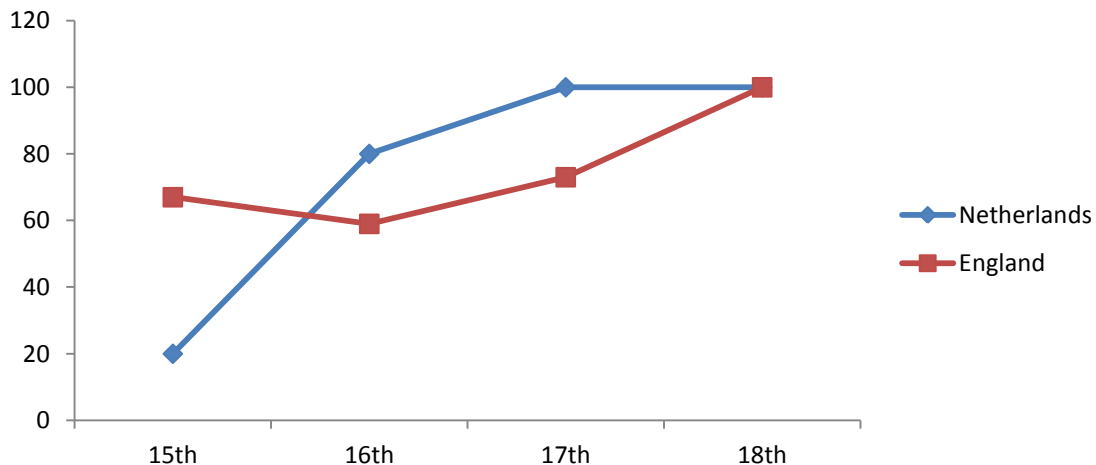
Secondly, Greenfeld argues that these transformations first took place in England. She insists England was the "first nation in the world (and the only one, *with the possible exception of Holland*)" (Greenfeld, 1992, p. 14). Although Greenfeld sees Holland as a "possible exception" she never presented how these transformations occurred in the United Provinces. However every process she was describing in England occurred in a much stronger degree in Holland.

In the mid-16th century, both Britain and Holland were the main locations of the world engaging in overseas trade and production. What created a nobility "which was not based on birth but on merit" had a lot to do with these capitalist activities, overseas trade and the strengthening of the bourgeoisie. Both in Holland and England, some segments of these classes managed to be accepted as the new nobility or established a political coalition with it. This led to the emergence of a "revitalized, open and internally communicative aristocracy [...] encouraging a conception of political community strongly distinct from and able to challenge the monarch" (Calhoun, 1997, p. 74). This new coalition between the bourgeoisie and aristocracy was forged in wars against monarchies. In the case of Holland, the war against the Spanish-Habsburg monarchy played the most critical part. In the case of England, however, establishment of this coalition led to a series of civil wars starting in 1640. As Marx and Engels underlined, during these civil wars in England, "the bourgeoisie was allied with the new nobility

against the monarchy, against the feudal nobility, and against the established church" (Hill, 1948, pp. 136, 140). This struggle led to a series of revolutions and counter-revolutions, which ended up with the establishment of a "constitutional monarchy" in England.

Both in the United Provinces and in England the political-economic interests of this new coalition were represented in the constitutional regimes they established. As Figure V-4 underlines, in both regions there was a rapid increase in the level of parliamentary activities. These two simultaneous transformations were not coincidental. As Hans Kohn underlines for the case of England, "the center of the nation had been irrevocably established in the Parliament which, at least in theory, represented the whole nation and spoke for the interests of the country as a whole" (Kohn H. , 1956, p. 199). Parliamentary activities were central in representing the "national" interests of the United Provinces as well.

Figure V-4: Number of Years in a Century with Parliamentary Meetings, The Netherlands and England



Source: Author's calculations using van Zanden, Buringh and Bosker (2012).

During the period of Dutch hegemony, however, these parliamentary activities did not spread to other "nations" of Europe. All over Europe, the trend was the exact opposite. Let alone the burgeoning of constitutional regimes, existing parliamentary activities further declined, even disappeared. European monarchs consolidated their rule in a manner unprecedented before. Instead of nations being represented in the image of their "parliaments", they were represented in the figure of their monarchs. That's why Dutch hegemony did not become the age of constitutional monarchies, it became the "age of absolutism" in Europe. Absolutism turned out to be a novel state-building strategy, which managed to contain existing state-seeking movements and other revolutionary upheavals for some time in Europe. To understand how Dutch hegemonic consolidation ended up creating "absolutist regimes" elsewhere in Europe, we need to look at how Europe moved from a period of chaos to a period of order during the Dutch hegemonic consolidation period.

Emergence of "Peace" Interest and Erosion of Opportunity Structures for State-Seeking Movements

As the United Provinces rose to global political and economic preeminence, they also became a defender of peace and order among great powers (Taylor P. , 1996, pp. 55-57). Their defense of peace and stability, however, was not an ideological preference of Dutch merchants: It was an extremely pragmatic policy. As we have seen in the late 16th century, Protestant towns and cities of the Seventeen Provinces had no hesitation in "riding the tiger of Calvinism", financing Protestant revolts all over Europe, and "becoming a champion and organizer of the proto-nationalist aspirations of dynastic rulers" (Arrighi, 1994, p. 45). When profits were at stake, they did not hesitate to engage

in *coups*, revolts and conspiracies to confiscate church properties or to use their war-making capacities to rip off the Spanish resources through piracy and privateering as well.

If Dutch merchants started defending peace and order at the turn of the 17th century, this was because the chaos of the 17th century started to become an obstacle for their profits. The Thirty Years' War turned out to be one of the most destructive wars that Europe had ever seen until then. On one side, there were strong empires and kingdoms who were trying to protect their power, territories and the medieval system which they were living off. On the other side there were dozens of dynasties in smaller sizes trying to challenge the power of this coalition between Holy Roman Empire and its kingdoms⁴. Its geographical scope was extremely large; and inter-state struggles were interwoven with intra-state struggles. All parts of Europe became hotbeds of revolts, religious upheavals and anti-centralization struggles. Soon this chaos started to disturb the trans-European network of trade on which *all* rulers depended.

This disturbance of the trans-European network of trade, which turned into a negative-sum game, led Dutch merchants to defend the re-establishment of peace and order. Using their trans-European network, Dutch diplomats started to propagate the idea of the benefits of peace and order. These attempts were very similar to those of Venetian diplomats who tried their best to reestablish the balance of power in the Italian city-states with the Peace of Lodi two centuries ago. Dutch diplomats, however, attempted to

⁴ Holy Roman Empire including the forces of Austria, Bohemia, Hungary and Croatia) and Spanish Empire was on this side of the conflict. United Provinces, France, England, Scotland, Sweden, Bohemia, Saxony, Electorate of Palatinate, Brandenburg-Prussia and Transylvania was on the one side.

achieve this peace in a much larger scale. Fortunately for the Dutch, European rulers were not uninterested in their proposals.

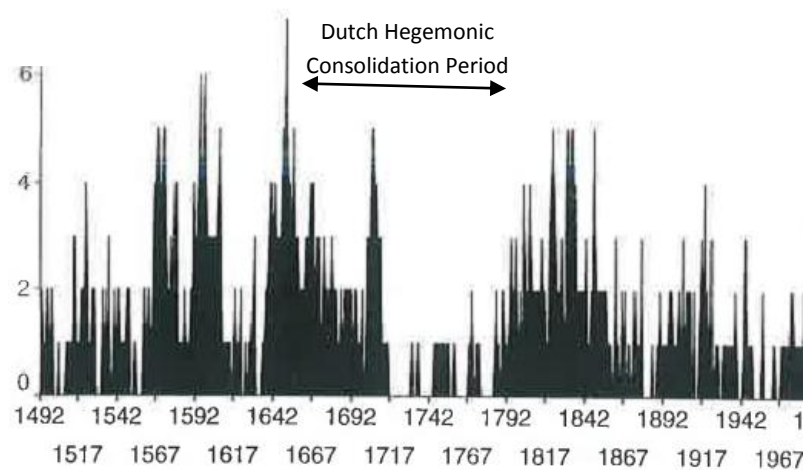
This new interest in peace has a lot to do with the rapid escalation of urban and rural based class struggles in this period. Interestingly, these revolts by peasants and workers were not directed against their "employers" but against the "state" itself (Arrighi, 2010, pp. 42-43). Thus in the midst of the chaos of Thirty Years Wars, as social and political revolts started to challenge the authority of the rulers, "all or most of the European rulers began to realize that they had nothing to gain and everything to lose from [the] continuation of [the cut-throat power struggle]" (Arrighi, 2010, p. 42). Monarchs of Europe suddenly realized that, there was - as James I once saw - "an implicit tie among kings, which obliged them, though there may be no other interest or particular engagement, to stick unto and right one another upon an insurrection of Subjects" (Hill, 1958, p. 126; Arrighi, 2010, p. 43). Thus, intensification of intra-state (class) struggles created a strong motive for European rulers to perk up their ears more to the Dutch proposals of reorganizing the world order. What brought the United Provinces to global political and economic preeminence was precisely their capacity to use this advantage, turn this "implicit tie among kings" into "explicit political compacts" among rulers. This political compact was the Peace of Westphalia (1648) which created - as E.H. Carr (1945) puts it - an "international of monarchs".

With the Peace of Westphalia, the United Provinces killed a number of birds with one stone. Through leading a large number of dynastic powers against the forces of the Holy Roman Empire and the Spanish monarch, and substantiating her victory through a series of peace conferences, the United Provinces not only gained her *de jure*

independence, but also gained an intellectual and moral leadership over other European powers. In the economic sphere, establishment of peace among European powers turned the negative sum game of international rivalry into a positive sum game of overseas trade expansion. This started a virtuous cycle for trade and productive activities in the economic sphere which lasted until 1750s. Politically, the Peace of Westphalia underlined that "the idea of an authority or organization above sovereign states is no longer" (Gross L. , 1968). Not only Protestants but also Catholic states gained the right to decide about the faith of their subjects in their territories. Practically this looked like nothing more than an affirmation of the Peace of Augsburg of 1555, which recognized *cuius regio eius religio* as a general principle. However, it was a joint victory of new states of Europe against the rule of Papacy, the church and the medieval system as a whole.

Establishment of peace and order in Europe also had some consequences which were not desired or intended by the United Provinces. In the political sphere, the Peace of Westphalia gave European monarchs a breathing space. The re-establishment of international order meant that kings elsewhere - who were simultaneously struggling against their nobility or popular classes - would now be able to turn their energies to smash these oppositions - including a large number of state seeking movements - and consolidate their power within their territories. Simultaneous with the rise of Dutch hegemony, in Europe, municipal fortifications were destroyed, aristocratic privileges of those who did not obey king's authority were curtailed and religious opposition was suppressed.

Figure V-5: Total Revolutionary Situations in Europe, 1492-1992



Source: Boswell & Chase Dunn (2000, p. 56)

In the pre-Westphalian order, intra-state struggles were always a part of inter-state wars. But now, with the Peace of Westphalia, rulers of Europe also recognized each others' sovereignty in their territories. As Carr (1945) put it,

The absolute power of the monarch at home might be contested [...] but nobody questioned that in international relations with other monarchs he spoke as one having authority over his 'subjects' and 'possessions'; and these could be freely disposed of for personal or dynastic reasons (Carr, 1945, p. 3).

As a consequence of this mutual recognition and respect of "sovereignty", the direct or indirect aids that rebels had been receiving from the enemies of their monarchs came to an end. Thus structural opportunities provided to all popular or aristocratic types of state-seeking movements started to diminish. Hence, state-building movements started to become much stronger vis-a-vis state-seeking movements. Thus, although the United Provinces and Swiss Cantons managed to gain their *de jure* independence with the Peace of Westphalia, after the peace most state-seeking movements were gradually suppressed.

In short, the emergence "Age of Absolutism" was a paradoxical consequence of Dutch success. The United Provinces - which gave a long struggle against Spanish *absolutist* rule - ended up gaining its *de jure* independence by spreading absolutism

elsewhere in Europe (most notably in France, Prussia, Austria, Russia and Sweden). This, in turn, led to the smashing of existing state-seeking movements together with other revolutionary activities.

Use of "Force" and "Consent" by Absolutist States in Europe

Of course force and violence played the most critical role in the rise of Absolutist regimes. But still, a large part was played by "consent". The absolute rule of European monarchs depended on some degree of compliance by other nobles (Merriman, 1996, pp. 276-279). During this "Age of Absolutism", monarchs managed to take the consent of some segments of nobility to be junior ruling partners of this absolutist rule in exchange for a new set of social and political compacts: "a guarantee of their status, ownership of land, and privileges within the state and over the peasantry, whether peasants were legally free, as in Western Europe, or serfs, as in the case of Prussia, Poland and Russia" (Merriman, 1996, p. 277). Of course, the specificities of these compacts determined the specific character of absolutism in different regions. Some sections of the nobility started to serve rulers as royal officials and military commanders; other sections took part in state bureaucracies as officials.

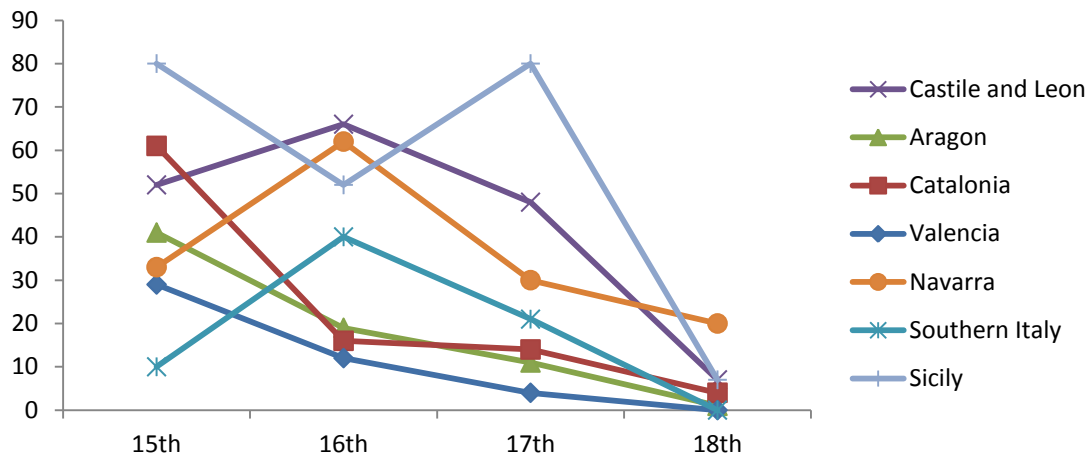
These absolutist monarchies endeavored to adopt Venetian-type bureaucracies in their huge territories. Expansion of state-bureaucracies required expansion of the size of aristocratic classes capable of working in these bureaucratic machines. Thus absolutist regimes also started to accept wealthy commoners to aristocracy, thereby creating - again - a "new nobility". The creation of this new nobility was mostly achieved through acquisition of wealth and purchase of land. Gradually these "nobles of robe"

outnumbered "nobles of the sword" (Merriman, 1996, pp. 278-280, 496-497; Skocpol, 1979, p. 57; Wallerstein, 2004, pp. 42-43).

These state-building strategies of absolutist rulers had some continuities and differences from those employed by Ferdinand and Isabella outside the Kingdom of Castile. Ferdinand and Isabella knew that they were not able to penetrate into kingdoms outside Castile. Thus on the one hand they left the medieval parliaments untouched, and on the other hand they tried to coordinate them using the "Catholic Inquisition". Similar to the Catholic Kings, under the Age of Absolutism, absolute monarchs continued to use church to legitimize their absolute power. The church became an important tool in turning the image of monarchs into sacred figures (Merriman, 1996, p. 282). But what really mattered was not religion for these monarchs but *Raison d'État*. Whether economic, political or military it was the state's interest and ambitions that mattered.

Unlike Ferdinand and Isabella, however, absolute monarchs did not hesitate to intervene into parliamentary activities. Under absolutist rule, activities of medieval parliaments started to decline radically (Merriman, 1996, p. 277; van Zanden, Buringh, & Bosker, 2012). It was the Spanish-Habsburg empire under Philip II which started this process in the mid-16th century. As Figure V-6 shows, throughout the 17th century and by the 18th century, parliamentary activities in the kingdoms of Spanish-Habsburg territories almost completely disappeared. In Castile and Leon between 1700 and 1800 the number of years in which the Cortes met was merely 7 (it was 52, 66 and 48 respectively in the 15th, 16th and the 17th centuries). Throughout the 18th century Cortes met four times in Catalonia; and only once in Aragon. In the same century, Corteses of Valencia and Naples (Southern Italy) they never met once.

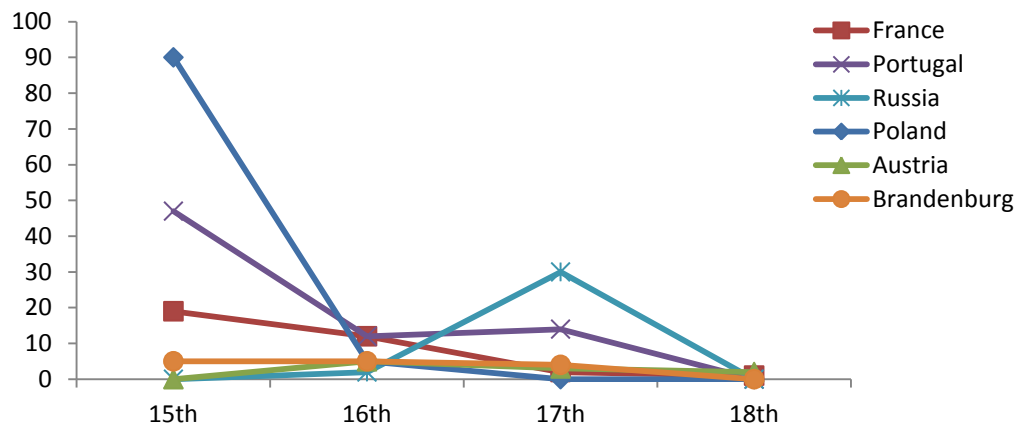
Figure V-6: Number of Years in a Century with Parliamentary Meetings, The Spanish Crown



Source: Author's calculations using van Zanden, Buringh and Bosker (2012)

It is ironic that, this process of suppression of parliamentary activities which was pioneered by the Spanish-Habsburgs during the Genoese-Iberian systemic cycle spread to the rest of Europe only during the Dutch systemic cycle. In the 17th century, this was almost the norm in all European countries except for the United Kingdom and Holland (see Figure V-7). In France, for instance, the Estates-General was not convoked between 1614 and 1788. In Portugal, Russia and Poland the assembly of nobles did not meet during the eighteenth century. In Austria, in the 18th century, parliament met only for two years.

Figure V-7: Number of Years in a Century with Parliamentary Meetings, Selected European Powers



Source: Author's calculations using van Zanden, Buringh and Bosker (2012).

The decrease in the parliamentary activities was an integral part of new state-building strategies employed by absolute rulers of Europe. As we have underlined at the beginning of this chapter, existence of medieval parliaments established an organizational base for state-seeking movements of aristocratic classes. Thus in a way, by not convening parliaments, absolute rulers were "intervening in the formation of their state-seeking movements" of aristocracies.

Thus unlike in the United Provinces and England, the dominant state-building strategy in Europe was establishing strong, centralized, bureaucratic states in which the power is consolidated in the hands of the monarchs. "Nation" was not represented in their parliaments. In France, Prussia, Austria and other absolutist kingdoms, "nation" was represented in the image of their kings and monarchs (Carr, 1945; Kohn H. , 1956, pp. 199-200).

Figure V-8: A Section of Frontispiece of *Leviathan* (1651) Representing Nation in the Body of the Sovereign



This is the process Carr (1945) explained us in his *First Period of Nationalism*. When Thomas Hobbes wrote *Leviathan* in 1651, the frontispiece he chose for his book was a collection of people in the body of the sovereign. This frontispiece described Hobbes' ideal of "nation" which was personified in the person of the king (or absorbed in the king), which probably alluded to the real social and political compacts (rather than hypothetical social contracts) made between the aristocracy and the monarchs under absolutist rules. Similarly until the late 18th century, when philosophers talked about "the wealth of their nations" they mostly meant the wealth of their "crown" not of their "people". This new notion of "nation" was more apparent in the corresponding 'national' economic policies of the Dutch hegemonic period, which was later coined as "mercantilism". Mercantilism did not aim "to promote the welfare of the community and its members, but to augment the power of the state, of which the sovereign was the embodiment" (Carr, 1945, p. 5).

Today the association of the term "nation" with "kings" or "aristocratic elites" may sound anachronistic. But this was the meaning of the term in the 17th and 18th century. Furthermore, the association of "nation" with the sovereign or the aristocratic elite was not confined to the mid 16th and the 17th centuries either. As Carr (1945, p. 3) mentions in a footnote, in the 19th century Eastern Europe the term nation was still reserved for the upper classes rather than the popular classes. Therefore it is not surprising that "a Croat landowner of the 19th century [was known to have said] that he would sooner have regarded his horse than his peasant as a member of the Croat nation" (1945, p. 3).

Establishment of Social and Political Compacts in American Colonies

With the establishment of the Westphalia system religion almost became a private concern in Europe and a series tacit of compromises ‘softened’ or ‘disguised’ the earlier conflicts in principle (McNeill, 1963, p. 711). Stability in mainland Europe created a favorable atmosphere for a renewed expansion of trade and production (Silver & Slater, 1999, p. 154). Now "Europeans were able to direct their restless energies outward" (McNeill, 1963, p. 711). The golden mine of this virtuous circle was the transatlantic trade. The transatlantic slave trade brought millions of enslaved Africans to the Americas, who were forced to toil the colonial plantations together with enslaved native inhabitants (Wolf E. R., 1997, pp. 195-231). The goods produced in these colonies were sold to European mainland. From European and world markets, the needs of the American colonists were bought and sold back to the Americas again. These transatlantic transactions led to a virtuous circle of trade and production in the early eighteenth century (Silver & Slater, 1999, p. 154).

This was not a free trade in which colonists could sell their tobacco, coffee or sugar at any price to any buyer; or buy their needs from any seller they want. Settler colonies were allowed neither to trade with each other nor to enter in competition with the imperial metropolises (McNeill, 1982, p. 724; Silver & Slater, 1999, pp. 155-156). Under the pressures of mercantilist competition, imperial governments granted trading monopolies to their merchants and shippers (rather than to the colonial producers), who bought their goods at lower prices from the colonists, brought it to the mainland and sold it elsewhere with higher prices to achieve high profits (McNeill, 1982, p. 724). This, of course, put settler colonists into a conflict of interest *vis-a-vis* merchants and shippers as

well as their own imperial governments (Silver & Slater, 1999, pp. 155-156; Mintz, 1985, p. 39). This created a growing economic frustration within the colonies.

However these conflicts and tensions in American settler colonies did *not* turn into explicit revolts and/or revolutions until the 1760s. This was mainly due to the distinct types of social and political compacts absolutist regimes established with the colonial governments. The social compacts of the Dutch material expansion period were largely a result of the virtuous cycle itself. Despite all existing tensions, the virtuous cycle of economic growth benefited a large coalition of social groups including colonial planters, merchants and shippers, large European landowners, a large segment of officials and financiers (Silver & Slater, 1999, p. 155; Wallerstein, 1988, p. 64; Hobsbawm, 1996, p. 36). The share of these profits were a major source of unrest but

as long as the commercial expansion lasted, these intra-elite tensions remained under control and did not escalate into the kind of open rift that would become crucial to the detonation of the revolutionary upheavals of the late eighteenth century (Silver & Slater, 1999).

An integral part of the "social compacts" were the existing "flexibilities" in the application of the mercantilist theory, which made these tensions "tolerable" for white colonialists. During the Dutch material expansion period the middle class colonists and colonial planters made good use of smuggling, piracy and bribery to gain further profits (Silver & Slater, 1999, p. 155; Burg, 2004, p. 249). In the south, the seventeenth-century decline of Spanish power and income also contributed to the boom of Spanish colonial economies. During this long decline, "silver output continued, and the colonial elite retained a larger part of the profit. As Spanish control weakened, local industries developed; trade between the colonies and contraband trade with other European countries and their colonies became significant" (Maddison A. , 2005, pp. 39-40). As

Flynn (1982) and Lachmann (2000) show, the Spanish colonial elite also made good use of the decline of Habsburg power and regained some of their economic privileges which declined during the age of Charles V and Philip II⁵. Under these circumstances the existing tensions between colonies and their governments remained as bearable problems.

The "political compacts" were largely related to the extension of "rights and privileges" of the white colonial officials and establishment of "racial solidarity" against slaves and indigenous peoples. After all, one of the reasons why the emerging tensions between the colonies and imperialist governments did not automatically turn into open conflicts (and state-seeking revolutions) was the existence of large amounts of slaves and enslaved indigenous populations as a potential threat in the colonies.

Until the 1760s, no group in the colonies had the commercial and financial facilities, much less the military capacity, to survive of their own. British West Indian planters were well aware of the fact that, with slaves composing a majority of the population, British troops were needed to guarantee the colonial order. [...] The survival of the North American settlers (not to mention their expansionist ambitions) was only possible if the Royal Navy protected them from the French and the Indians (Silver & Slater, 1999, p. 156).

This threat from below made "great middle class societies" of the settler colonies dependent on their imperial governments. In return, imperial governments did their best to protect white settlers against these slaves and extended the scope of settlers' rights and privileges. In the midst of such threats, in North America, governments granted various political privileges (right to votes or access to arms) even to the less prosperous whites. Many white people in the North American British colonies (i.e. those who owned fifty acres of land with a house in Virginia) were given the right to vote. And nearly all free

⁵ "The crown's share of American gold and silver amounted to 4% of royal income in 1510, rose to 7.5% in 1577, and then to a peak of 16% in 1591. The crown's take then declined to an average of 6% of income for 1621-40 and fell to an insignificant 1% for 1656-60" (Lachmann, 2000, pp. 152-153). For over the century these figures did not change much.

males between sixteen and sixty were armed in the form of militias in the French Caribbean (Silver & Slater, 1999, pp. 156-159; Genovese, 1979, pp. 12-17; Blackburn, 1988, p. 58). This racial solidarity - built on the Atlantic boom and exploitation of millions of African slaves and indigenous peoples - made existing tensions bearable, at least for a while.

State-Seeking Movements During Dutch Financial Expansion Period and Hegemonic Crisis

From 1680 to 1760 – which crudely marked the period of the virtuous cycle of Transatlantic economies - there level of revolts, revolutions and state-seeking movements in the settler colonies was relatively low⁶. After the 1760s, however, there was a general intensification of all sorts of social and political movements, including state-seeking movements, both in the colonies and in continental Europe. What cracked this virtuous cycle was the growth in the mercantilist competition itself. Mercantilism was a full-fledged *national* economic competition (in the 17th and 18th century sense of the word), in which one *crown* was in an economic war against another. Soon these crowns started to invade each other's markets. International trade became a zero-sum game. And territorial and overseas warfare became a complimentary part of this ongoing economic warfare.

⁶ There were a few exceptions of course: For instance between 1721 and 1732 grievances about taxation of exports, and the burden of militia service on the Chaco frontier led to the revolt of Comuneros (of Paraguay) against the Spanish monarchy which was an autonomy-seeking movement (Lopez A. , 1976). The Comuneros revolt of Paraguay was a harbinger of upcoming state-seeking creole movements of the late 18th century. The Natchez revolt (1729) against the French colonists can also be considered as the pioneers of the upcoming wave of indigenous revolts.

In this game, late-comers of the mercantilist competition - namely the British and French - surpassed Dutch capacities quickly and became much more successful than the Dutch themselves. Especially the British, who emulated the Dutch fiscal structure after the 1688 revolution, built an unusual state which added production-making capacities to the state-making and market-making capacities of the Dutch in a period of less than a century.

The combination of a strong queen or king, who wielded considerable control over the armed forces, a parliament that exercised substantial oversight of state-finances, an extensive network of royally sanctioned courts, a rapidly proletarianizing rural population, a disappearing peasantry, a proliferation of small-scale manufacturing, a prospering yeomanry and a collaboration between enterprising landlords and merchants made England a formidable state (Tilly, 1993, p. 107).

Furthermore, France started to take part both in the overseas colonial warfare as well as the territorial warfare within Europe. In this environment the Dutch could not keep up the race and moved away from productive and commercial activities. Dutch capitalists gradually started to assume the role of money-lenders of Europe. This is how the financial expansion period of the Dutch systemic cycle started. Although the activity of Dutch money-lenders were visible since 1710, the real financial take off was in the 1760s. As Braudel observed:

By the 1760s, all the states of Europe were queuing up in the offices of Dutch moneylenders: the emperor, the elector of Saxony, the elector of Bavaria, the insistent king of Denmark, the king of Sweden, Catherine II of Russia, the king of France and even the city of Hamburg (although it was Amsterdam's successful rival) and lastly, the American rebels (Braudel, 1992, pp. 246-247).

As Braudel mentions, similar to earlier epochs, Dutch loans that were created in this period of financialization were primarily used for war-making activities, which already became a complimentary part of mercantilist competition among the Great Powers in the 18th century. Furthermore, the escalation of the system-wide inter-state rivalry also established foundations for a new epoch of annexations and partitions in

Europe, as illustrated by the partition of Poland by continental empires of Europe - Russia, Prussia and Austria - in 1772, 1790 and 1792⁷.

All of these developments contributed to the rise of state-seeking movements in a number of different ways. First of all, partitions, occupations and annexations of historic kingdoms created new state-seeking movements which attempted to restore their kingdoms. For instance, "[t]he partition of 1772 created in Poland a movement of national revival that was remarkably different either from the desperate scapegoat hunting of seventeenth century or the religiously intolerant Bar Confederacy of 1768" (Birn, 2005, p. 485). However this was not the only mechanism through which new state-seeking movements were created. More importantly, as interstate rivalry turned into interstate wars, governments accelerated their attempts to extract direct taxes from their people, to centralize their authority over their subjects, and to unmake various forms of social and political compacts which started to be obstacles before the crowns to gain revenue. The absolutist crowns could not tolerate "flexibilities" any longer and accelerated their attempts for further centralization. As a consequence, centralization policies of the post-1760 period started to liquidate the social and political compacts which managed to contain "state-seeking movements" in the material expansion period. For instance,

[i]t is undoubtedly true that the policies pursued by the capable 'enlightened despot' Carlos III (r. 1759-1788) increasingly frustrated, angered and alarmed the upper creole classes. In what has sometimes sardonically been called the second conquest of the Americas, Madrid imposed new taxes, made their collection more efficient, enforced metropolitan commercial monopolies, restricted intra-hemispheric trade to its own advantage, centralized administrative hierarchies, and promoted a heavy

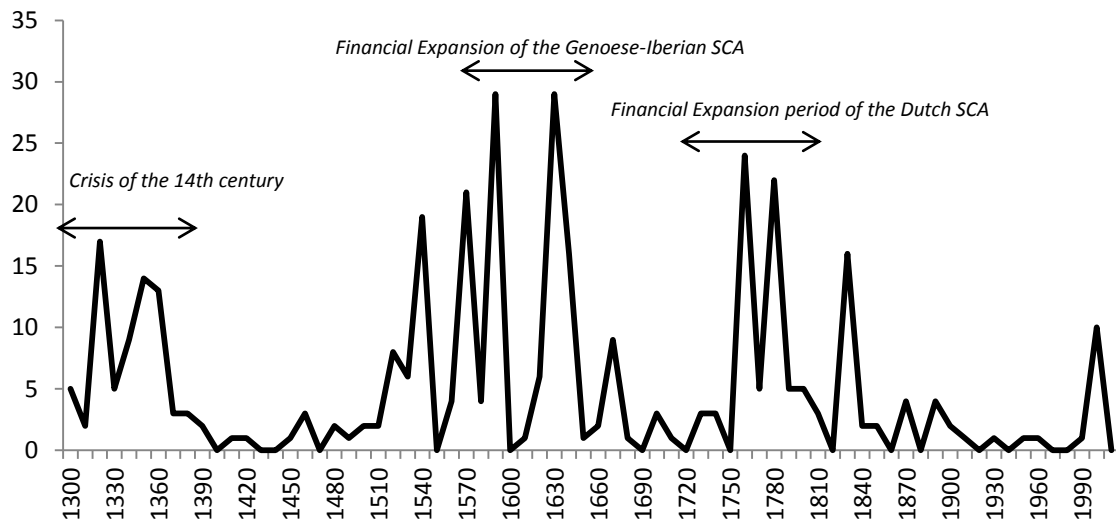
⁷ This was not completely independent of the Dutch loans either. It is not a coincidence why in 1793, Mr. Wilson sees partition of Poland and the plundering of Bank of Warsaw as a joint involvement by many houses in Petersburg, Hamburg and Amsterdam (Wilson, 1793, p. 16)

immigration of *peninsulares*. Mexico, for example, in the early eighteenth century provided the Crown with an annual revenue of about 3,000,000 pesos. By the century's end, however, the sum had almost quintupled to 14,000,000 of which only 4,000,000 were used to defray the costs of local administration (Anderson B. , 1991, p. 50)⁸

What linked Carlos III of Spain, Joseph II of Austrian Empire, Selim III of the Ottoman Empire, revolutionary and counter-revolutionary governments of France of the post-1789 period and many other leaders of the 1770-1815 period together was their restless attempts for administrative reforms which aimed at increasing the central control of their states. Similar to previous financial expansion periods, these centralization attempts unmade existing social and political compacts, and created an escalation in various sorts of social and political unrest, some of which aimed at establishing new independent states (Anderson B. , 1991, pp. 47-65; Calhoun, 1997, pp. 105-106). Although various independence movements in Europe (such as the Brabant revolution of Austrian Netherlands against Joseph II, uprisings of Greek and Serbian millets against the Ottoman regime etc) can also be given as examples of these state-seeking movements, when we take the world as a whole, it will be apparent that majority of the state seeking movements erupted where direct control of the imperial metropolises were weakest. Hence, in this period of financialization, the main location of these movements became the settler colonies.

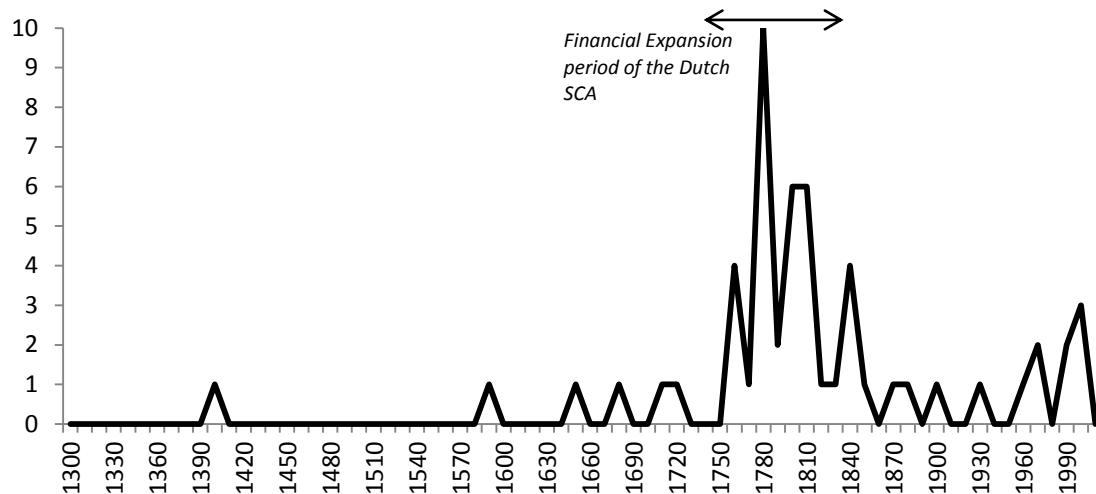
⁸ In many ways, this trend was a replica of the previous (Genoese-Iberian) systemic cycle. After all, during the Genoese-Iberian material expansion period, both in the South and North America, the settler colonies enjoyed a very high degree of autonomy and wealth. Upon the discovery of the Americas in 1492, Ferdinand and Isabella of Castile started to reward the explorers and conquerors of the New World through granting them *encomiendas*, which gave the settlers a right over Indian territories, the forced labor of Indians, any gold and silver already held by the natives (Lachmann, 2000, p. 151). These privileges had made settler colonies of Americas relatively autonomous administrative units from 1500 on (Anderson B. , 1991, p. 52). However during the crisis of the 16th century, Charles V started to narrow these privileges. For instance, in 1540s, *encomiendas* were made to expire upon their holder's death and the control over the Indian labor was transferred from the holders of the *encomiendas* to Spanish-state officials (Lachmann, 2000, p. 152). During the reign of Philip II, the attack on remaining privileges were much harsher.

Figure V-9: Total Number of Year-Regions with Tax Revolts in Europe in a decade, 1300-2000



Source: Author's calculations using Burg (2004)

Figure V-10: Total Number of Year-Regions with Tax Revolts in (North, Central and South) American Colonies in a decade, 1300-2000



Source: Author's calculations using Burg (2004)

Similar to previous systemic cycles, during the Dutch financial expansion period, there was a close relationship between tax revolts and movements for independence. The escalation of tax-revolts during the 1760-1790 period was the third wave of tax-revolts which coincided with financial expansion periods in modern European history. Similar to the waves of tax-revolts in the 14th century and the late 16th/early 17th centuries, these tax revolts were intermingled with various sorts of class struggles (sometimes in

aristocratic, bourgeois, peasant or working class character) and they were often directed against existing governments and crowns (see Figure V-9).

Different from previous waves, however, during the financialization period of the Dutch systemic cycle, tax-revolts also spread to settler colonies, which were relatively peaceful during previous waves of financial expansion (see Figure V-10). Furthermore, actors of these tax revolts did not oppose aggressive tax policies merely in economic terms. In the late 18th century, subjects more and more regarded the imposition of taxes as violations to their existing rights and privileges. Privileged middle class political entrepreneurs of the settler colonies skillfully managed to merge the economic grievances with issues regarding representation and legitimacy. Soon, tax revolts turned into rebellions and revolutions for democratic rights. It is not a coincidence why R. R Palmer (1959) called this period from 1760 to 1800 as the "Age of the Democratic Revolution".

Many scholars of nationalism identifies the birth of nationalism with successful state-seeking movements that belonged to this age such as "*creole* nationalism", "American War of Independence" or the "French Revolution". However, not all state-seeking movements were successful. Nor were all revolts bourgeois-democratic in character. In this financialization period, there was also a very high number of indigenous movements and revolts from below which attempted to establish a state of their own. To provide a more balanced picture of the age, below, we will investigate both successful and unsuccessful attempts of state-seeking movements that emerged on both sides of the Atlantic.

Revolts in Britain and North American Colonies

Britain was almost bankrupt due to the effects of the Seven Years' War. "Preoccupation with this debt and raising revenues to pay it off influenced every policy of the British government from 1763 to 1776" (Burg, 2004, p. 249). They were heavily borrowing from the Dutch and other international markets on the one hand and were trying to impose further taxes to their populaces on the other. In 1763, to help pay the debts incurred during the Seven Years' War, the British government issued a tax on cider and perry (an alcoholic beverage made by fermenting pear juice) in England which generated widespread revolts opposing the tax (Anderson F. , 2000, p. 614). Although these tax revolts did not transform into state-seeking movements, it pushed the British state to seek alternative sources of tax income from elsewhere (Dowell, 1884; Burg, 2004, pp. 245-246; Anderson F. , 2000, p. 614).

Based on their experiences throughout the century, British statesmen believed that settler colonies in North America were more favorable for taxation. From 1700 to 1775, the population of these colonies grew tenfold and they accounted for 20 percent of British exports and 30 percent of its imports (Merriman, 1996, p. 475). "The general economic conditions of British North America had been improving since 1720, at first gradually, then, after 1745, more rapidly" (Wallerstein, 1988, p. 196). Thus, on February 1764, the British ministry imposed the "Revenue Act" (a.k.a. "the Sugar Act"), which was an import duty on sugar. The problem with this act was *not* the rate of the tax itself, which was about one half of what it had been before. But this act was accompanied by radical measures to enforce the act that took away former "flexibilities" that colonialists enjoyed such as suppression of "smuggling" (Hayes, 1959, p. 468; Birn, 2005, p. 497). On March

1765 the British government went ahead and imposed “The Stamp Act”, which aimed to raise £60,000-£100,000 annually by making the colonists purchase an official stamped paper as a tax on virtually every type of document. Since the tax affected almost all of the white colonial population, the reaction against this tax turned out to be extremely popular and widespread (Birn, 2005, p. 497). Wealthy merchants and lawyers also did their best to mobilize lower classes in order gain leverage against the British imperialist pretensions (Silver & Slater, 1999, p. 162). From now on, the issue at stake was not merely the taxes per se but whether or not the British parliament - where the Englishmen in American colonies were not represented- had the right to issue these taxes (Bonwick, 2000, pp. 72-73). A Boston lawyer created the popular slogan "Taxation Without Representation is Tyranny", hence "No Taxation Without Representation" (Hayes, 1959, p. 468). The subsequent taxes and reactions against these taxes triggered the long struggle of American colonies for independence against their British crown that started in 1764. The thirteen colonies declared their independence from the British Crown in 1776. And their struggle lasted until 1783.

In their struggle against the British forces, the American rebels enjoyed substantial foreign aid from rivals of the British government (Tilly, 1993). The Dutch Republic was one of the strongest supporters of American rebels. The Dutch islands in the Caribbean became the center of trade with the American colonies, which helped rebels to free themselves from British embargoes. In the course of their struggle American rebels also enjoyed a substantial amount of loan from Dutch bankers (Braudel, 1992, pp. 246-247). Moreover, in 1778, France signed an alliance with American rebels agreeing to provide substantial loans in gold. As early as 1770, foreign minister of

France, Duc de Choiseul had stated the five necessary elements of France foreign policy: "avoid war, ally with Spain and Holland, weaken British financial credit, promote the independence of Britain's American colonies, and reduce commerce between Britain and the colonies of Spain and Portugal" (Wallerstein, 1988, p. 217). Parallel to these policy proposals, in the course of the war, French sent economic and military aid to American rebels while simultaneously harassing British supply routes (Merriman, 1996, p. 478). In 1779, hoping to profit from this colonial war by reconquering Gibraltar and Minorca, Spain also joined the war on the American side. (Merriman, 1996, p. 478).

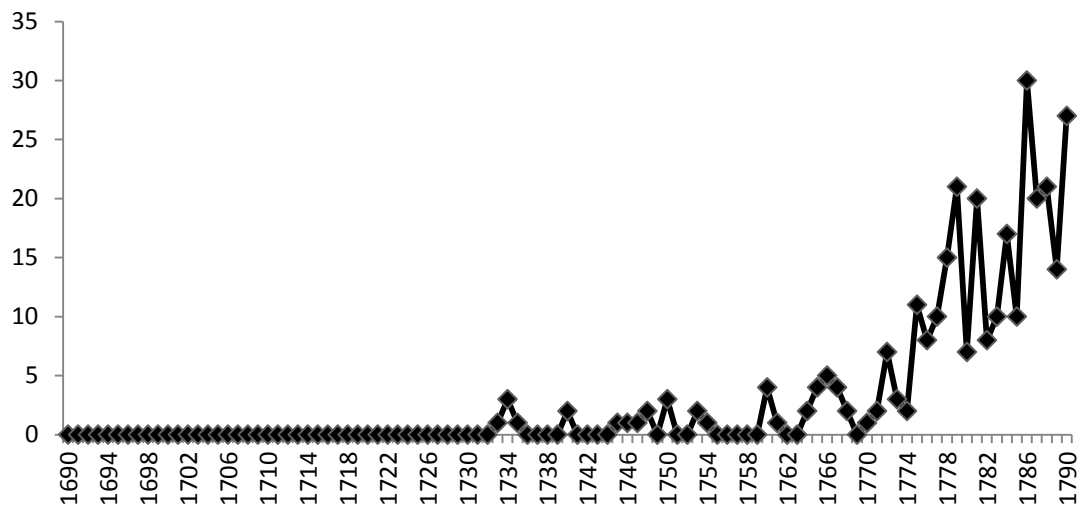
Revolts in Latin American Colonies

The conditions of Spanish colonies were not better than British colonies in this period. Some of the important differences of state-seeking movements in the Spanish colonies were the higher frequency of indigenous movements from below, less support received from other states and lower rate of success. One of the biases that is apparent in the historical studies that analyze this period is that unless they became successful these movements were not recognized as "nationalist" in one way or another.

During the Dutch material expansion period "where and when the Atlantic economy was booming, slaves found successful revolt almost impossible" (Silver & Slater, 1999, p. 158). Yet together with the crisis of the material expansion period, as Figure V-11 illustrates, there was an escalation of slave revolts in the Americas. It is true that the existence of strong indigenous movements as a simultaneous threat to existing colonial governments initially made secession more difficult for the colonies in South America (Silver & Slater, 1999, p. 156). However in the post-1760 period, while escaped

slaves established more autonomous maroon communities, some of these indigenous movements also started to proclaim independent states for themselves. Simultaneously there was an increase in the grievances of *creole* administrators which started to turn into secessionist movements. Hence, as Boleslau Lewin once put it, there were at the time two different revolutionary movements, the Creole and the Indian. "Sometimes their paths crossed, [...] and sometimes they went their separate ways" (Wallerstein, 1988, p. 222).

Figure V-11: Intensification of Slave Revolts in the Americas, 1690-1790



Source: Author's Calculations of mentions of revolts or rebellions by slaves of North and South America, using reports of Colonial American Newspapers, 1690-1790. Full-texts of digital historical archives of Boston News-Letter, New York Evening Post, New York Gazette, Connecticut Gazette, Weekly Post-Boy, Providence Gazette are searched for search strings designed to capture rebellions or revolts of slave and "negro" populations from 1690 to 1790. (<http://infoweb.newsbank.com/iw-search/we/HistArchive>)

In 1761, for instance, in the Yucatan region, Mayan Indians rebelled against the Spanish rule under the leadership of Jacinto Canek, who proclaimed the independence of the Yucatan region from Spain (Goodman, 2001, p. 3). Canek organized an armed revolt against the Spanish colonialists and tried to expel them from their territories. Taxes

became a political pretext through which Canek could mobilize over a thousand Mayan Indians against the Spanish colonists (Farriss, 1984; Burg, 2004, p. 242; Knight, 2002)⁹.

In 1765, the Spanish government faced one of the longest, largest and most formidable urban insurrections in Quito (a.k.a rebellion of Barrios, in contemporary Ecuador) against the threat of a new sales tax, which was not easy to quell¹⁰. The Quito insurrection combined a growing lower-class radicalism and demands for independence from Spain. On 28 June, residents of the poor *barrios* with the help of indigenous people took weapons from the armory, took over the city and ordered European Spaniards to leave the city. In the course of their insurrection, many popular leaders demanded secession and offered the crown of the Kingdom to the *Conde de Selvaflorida* (Andrien, 1990, pp. 128-130). Although the movement was eventually suppressed, it is often regarded to be an early manifestation of independence movements in the American colonies (McFarlane, 1989).

Two years after the Quito insurrection, in 1767, the city of Guanajuato rose against the attempted census by the Spanish government, which they presumed to be a forerunner of coming taxes (Burg, 2004, p. 268). In 1774, another anti-tax revolt erupted in Spanish "New Granada" (contemporary Bolivia). But the most important and significant of these revolts against the Spanish crown occurred in the 1780s. In 1780

⁹ When the revolt was suppressed and Canek was executed, Spanish authorities issued a decree that prohibited Indian officials from collecting taxes in areas outside their own communities in order to restrict their contacts and prohibit further organization (Farriss, 1984; Burg, 2004, p. 242; Knight, 2002).

¹⁰ Two years ago, in 1763, Spanish colonies especially the *creole* merchants in contemporary Guatemala opposed the fiscal reforms of the Spanish monarchy. Tensions further intensified in 1766, when the Spanish government revoked the monopoly held by the Guatemalan *cabildo* (council) over production and sales of liquor (*aguardiente*) and replaced it with a royal administration. These tensions in Guatemala, however, are quelled before they turned into a popular rebellion against the crown.

violent uprisings took place in the city of Arequipa (in contemporary Peru), in the Katari lands (contemporary Bolivia), in La Paz and in Peru, all of which demonstrated the clear fragility of Spanish power in the Americas (Burg, 2004, p. 278). But the most dangerous of these rebellions was the 1780-1781 Tupac Amaru II Revolution, which was an armed insurrection of over six thousand Incas under the leadership of Jose Gabel (Tupac Amaru II), who was a *mestizo* claiming to be a descendant of the last Inca ruler Tupac Amaru (Minahan, 2002, p. 1555). Again, because the movement failed at the end, its nature as an "independence movements" remained a subject of great controversy for historians and social scientists: "Was it the first clarion call of the independence movement or was it the almost opposite?" (Wallerstein, 1988, p. 219). The same question applied to the rebellion of 20,000 *comuneros* in Colombia against the newly issued taxes, occurring simultaneously with the Tupac Amaru II revolution in 1781, which entailed "the greatest challenge to Spanish government in Colombian territory since the accession of the Bourbon dynasty in 1700" (McFarlane, 1993, p. 250). Still there is an ongoing debate among historians and social scientists about whether or not *comuneros revolt* of 1781 can be counted as a movements of independence (Phelen, 1978; Loy, 1981).

Colonial possessions of Portugal were not immune from tax revolts and state-seeking movements either. For instance, in 1788-1789, in Brazil, the movement known as the *Inconfidencia Mineira* attempted to attain the independence of the captaincy of *Minas Gerais* from the Kingdom of Portugal. Insurrection was organized by a conspiratorial organization which planned to launch a full-scale rebellion against tax increases, which almost became impossible to pay in the context of declining gold reserves in the region. The movement was partially influenced by the American

independence movement but it failed to succeed and was suppressed by the Portuguese army (Barman, 2008).

An additional factor that intensified state-seeking movements by the *creole* settlers was imperial governments' decision to co-opt the slave and indigenous movements from below by inserting more humane slave laws regulating the slave-master relationships. As Benedict Anderson (1991) observes

[w]hen, in 1789, Madrid issued a new, more humane, slave law specifying in detail the rights and duties of masters and slaves, "the creoles rejected the state intervention on the grounds that slaves were more prone to vice and independence [...], and were essential to the economy. In Venezuela - indeed all over the Spanish Caribbean - planters resisted the law and procured its suspension in 1794. The Liberator Bolivar himself once opined that a Negro revolt was "a thousand times worse than a Spanish invasion". Nor should we forget that many leaders of the independence movements in the Thirteen Colonies were slave-owning agrarian magnates. Thomas Jefferson himself was among the Virginian planters who in the 1770s were enraged by the loyalist governor's proclamation freeing those slaves who broke with their seditious masters (Anderson B. , 1991, p. 19).

From our perspective, Anderson's observation is very much related to emerging grievances due to the unmaking of "political compacts" that had been made with the white settlers during Dutch material expansion period. After all, introduction of new and more humane slave laws to contain slave revolts meant reducing the rights and privileges of white-settlers *vis-a-vis* slaves. Hence, in order to contain the revolts of the negro and indigenous populations, imperial governments planted the seeds of growing *creole* revolts which turned into state-seeking revolutions. These state-seeking revolts and revolutions which lasted until 1830s created one of the biggest waves of decolonization in world history.

The French Revolution and Its Effects on State-Seeking Movements

While this strong wave of rebellion was shaking the Americas, revolts and revolutions spread back to the other side of the Atlantic. Taxes were still an important trigger for the revolts in continental Europe in this period. However what led to the greatest revolution of the era was not these tax revolts themselves but the political reactions against the King who violated the political compacts made with the new aristocracy on the one hand, and proved to be incapable of absorbing the demands of the bourgeoisie on the other. The French Revolution (which lasted from 1789 to 1799) was not only an example of this situation but also it was the most significant event during the chaos of the Dutch hegemony, which radically changed the trajectory of state-formation activities and state-seeking movements.

For one thing, the French Revolution of 1789 brought the "communes" back to the political arena. Actually the rebirth of communes in July and August 1789, which is often referred to as the "municipal revolution", was the most significant turning point of the Revolution. Without the emergence of horizontally-bounded, spontaneous, self-governing, armed bodies the newly proclaimed National Assembly - which neither had an army nor mercenaries - would possibly be dissolved with the counter attack of the King. In Paris, however, upon the threat of the counterattack of the King, the commoners (most of which were *sans culottes*) took the Bastille prison, armed themselves, established citizens' militias and proclaimed "the Paris Commune". Soon, "thirty thousand communes" were established in different parts of France (Aulard, 1910, pp. 142-145). The collapse of royal authority in the cities was followed by the peasant in the countryside which had been escalating since January 1789. As Skocpol (1979)

underlined, unlike the English Parliament in the previous century, the newly born National Assembly in France "enjoyed no established ties to strong local governments. [Thus,] its survival in the face of royal opposition was only secured through the spontaneous, nationwide Municipal Revolution of the summer of 1789" (Skocpol, 1979, p. 182).

These communes were very similar to the communes in North Italy and the *brotherhoods* in Iberian territories of the late medieval and early modern era. The most important difference of these communes was their class composition. In late medieval and early modern Europe, the class composition of communes was a mixture of bourgeois and aristocratic elements. During the French Revolution, however, the class structure of these communes became mostly working class and bourgeois in character. Actually if the Revolution had ended in 1789 with the success of the Municipal Revolution, we would have seen a fragmentation of political units in France. Then, we would possibly regard these movements as state-seeking movements in the form of city-states that dissolved the French kingdom. But this did not happen. As Aulard put it, "the municipal revolution" did not create "thirty thousand independent republics, not an anarchy, but thirty thousand communes united to form a nation under the actual sovereignty of the French people: in other words, a kind of united republic in process of formation, in which King would no longer have more than a nominal authority" (Aulard, 1910, p. 145).

The French Revolution also had serious implications for the development of state-seeking movements elsewhere. *First and foremost*, the Revolution provided an alternative model for popular revolts. The nature of the popular revolts in France during this time

period occurred radically differently from how they had occurred in the earlier epochs in France and the rest of Europe. As we explained at the beginning of this chapter, from the late 16th to the mid 17th centuries, popular revolts in Europe were anti-aristocratic movements which were not necessarily against their kings. What drove these popular revolts to independence was often not the presence but the absence of their kings. While aristocratic classes saw "foreign" kings as obstacles before their medieval liberties and privileges, the popular classes saw their kings as protectors of their rights. In 1789, when Louis XVI called General Estates meeting to gain the consent of the aristocracy and clergy, he probably relied on this historical fact. Popular classes, represented in the "Third Estate", hitherto supported the King especially when the King tried to limit the powers and privileges of the aristocracy. In 1789, however, this was not the case. Unlike the previous waves of popular revolts during the chaos of earlier systemic cycles, this time the commoners gradually left their slogan "Long Live the King!" as they realized that the King was no longer protecting their interests and rights¹¹. Thus soon, struggle of the Third Estate gained an anti-monarchical character as well as an anti-aristocratic character, which was a combination that did not exist before.

¹¹ It is true that Louis XVI did not worry much about the Third Estate, which represented 95% of the French population. This is understandable because historically the popular classes supported the King especially when the King limited the powers and privileges of the aristocratic classes. This time, however, a significant segment of the commoners that belonged to the Third Estate - especially the bourgeoisie - did not support the king. On the contrary they successfully managed to create a political crisis by bringing to the fore the issue of representation and legal status of the "Third Estate". On May 5, 1789 when the Estates-General met at Versailles, the commoners protested the king. On June 17, the Third Estate declared itself as the "National Assembly" of France and further consolidated the existing crisis. These series of events led to the collapse of the existing regime and to a long series of civil wars, revolutions and *coup d'etats* that spanned from 1789 to 1799 (or if we add Napoleonic age as a part of the Revolutionary era, to 1815), a period that must be altogether considered as the French Revolution (Merriman, 1996, pp. 495-547).

Furthermore, the French Revolution also triggered various other state-seeking movements elsewhere. Ireland is one important example of this trend. Of course even before the French Revolution or even before the American Independence, there were serious tensions in Ireland (Tilly, 1993, p. 136). The Catholic majority made up 70 per cent of the population and they had no political rights and few civil ones. Anglican landlords in Ireland made up 10 percent of the population and owned more than 80 percent of the land. There were also Presbyterian Protestants descended from Scottish immigrants working as temporary farmers, artisans and small traders. Presbyterian Protestants were accusing the Irish parliament of only protecting the rights of the great landlords; whereas Anglican landlords in Ireland were accusing the English House of Commons of protecting only British merchants and injuring Irish interests (Birn, 2005, p. 492). These tensions were increasing as the crises hit Britain more severely. The American War of Independence provided the first serious opportunity for the Irish population to gain a strong leverage against the British state. To suppress the American rebellion, the British had to move its military force from Ireland to North America, which made Ireland possibly defenseless against a possible invasion from France or Spain. In the midst of this threat, local militias -known as the "Volunteers" - were established in Ireland. After the American war these militias were able to pressure Great Britain to grant legislative independence to the Dublin parliament, which they eventually did in 1782 (Garvin, 1981; Curtis, 1994; Wallerstein, 1988, p. 245). After 1789, however, influenced from the American and French republicanism, the Society of United Irishmen was organized in 1791. And since then, utilizing the inter-state rivalry between France and Great Britain, the Irishmen organized a number of rebellions seeking independence

(Tilly, 1993, pp. 136-137). Although the Irishmen revolted repeatedly in 1798, 1800 and 1803, they failed to establish an independent state of their own (Minahan, 2002, pp. 1402-1403).

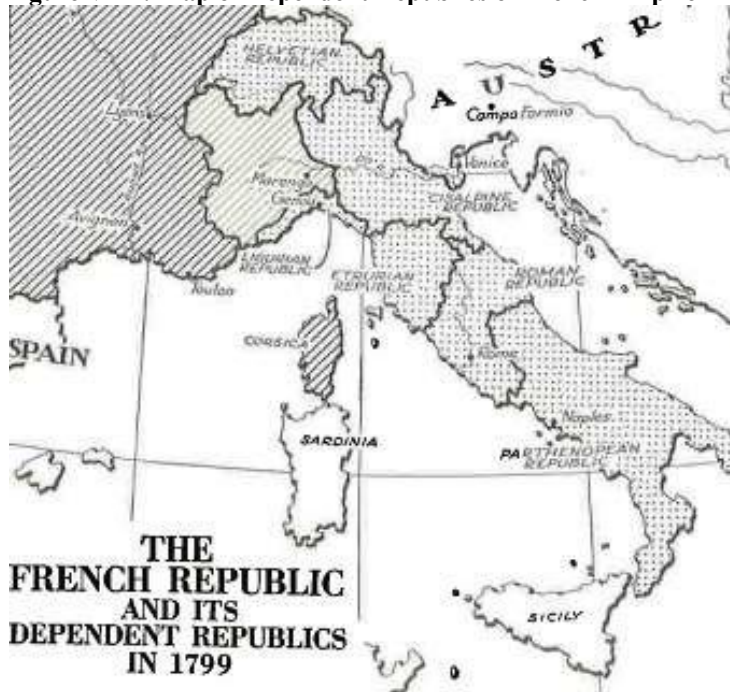
Ideas of the French revolution were also influential among middle class or lesser nobility patriots of the Italian peninsula who resented Austrian domination in the 18th century.

These *patrioti* were young, educated, usually from the urban middle classes or the lesser nobility - students, advocates, notaries, doctors, writers, some priests and friars, with a smattering of artisans and craftsmen. They were imbued with genuine enthusiasm for liberty, equality and progress; they detested the old aristocratic privileges and the stranglehold of the established Catholic hierarchy. They were not numerous, but they could be relied on to fight for republican ideals, and they were excellent propagandists (Clark, 1998, p. 8).

These *patrioti*, however, were not able to mobilize strong movements by themselves. Some revolutionaries like Philipo Buonarroti were organizing secret societies to challenge their rulers and there were also sporadic peasant insurrections but none of them established new constitutional states in the peninsula. That is why "they totally relied on the French" (Clark, 1998). Even some patriots in North Italy were pressing "the Jacobin General [...] to overthrow their old regime and declare a republic" (Englund, 2004, p. 112). When Napoleon invaded the Italian peninsula in 1796/97 he made very good use of these *patrioti*. But in the process of "liberating" these "nations" from the stranglehold of the Old Regime, Napoleon also conquered these nations as well as other existing Republics (e.g. Genoa) in the Italian peninsula (Merriman, 1996, p. 547). In one way or another, a number of new republics were established in the peninsula. Republic of Alba (1796), Ligurian Republic (1796), Bolognese Republic (1796), Cispadane Republic (1796), Cisalpine Republic (1796), Republic of Brescia (1797),

Republic of Ancona (1797), Roman Republic (1798), Lemanique Republic (1798), Tiberina Republic, Etruscan Republic (1799), Partenopaeian Republic (1799) were among these. These republics did not become "independent" in the real sense of the word. They became possessions of the Napoleonic Empire under the title of "sister Republics" and some of these republics were consolidated under other republics.

Figure V-12: Map of Dependent Republics of French Empire in the Italian Peninsula



Source: Hayes (1931)

Patrioti were not satisfied. Furthermore, conscription of Church property increased the grievances of peasantry and urban artisans. Hence, by 1798-9 all in all of these republics there were organizations and secret societies (e.g. *Societa dei Raggi*), a series of violent revolts and revolutionary attempts which attempted to get rid of the French rule (Clark, 1998, pp. 8-9). Merriman believes that this was a consequence of "nationalist" ideas, Napoleon was exporting to rest of Europe:

The French revolutionaries had called for a war against the tyrants of Europe. But Napoleon seemed blind to the fact that exportation of the principles of the French Revolution might encourage resentment and even nationalist feeling against the

French in those countries conquered by his armies. Gradually the French discovered that nationalism was a double-edged sword (Merriman, 1996, p. 573).

Nationalism was really a double-edged sword. That's why some of the state-seeking movements affected by the French Revolution took place in the territory of the newly established French Republic. Although the French state was able to suppress the insurrections in its continental territories, she faced considerable problems in her colonies, especially in her most prosperous colony in the Caribbean: Saint-Domingue.

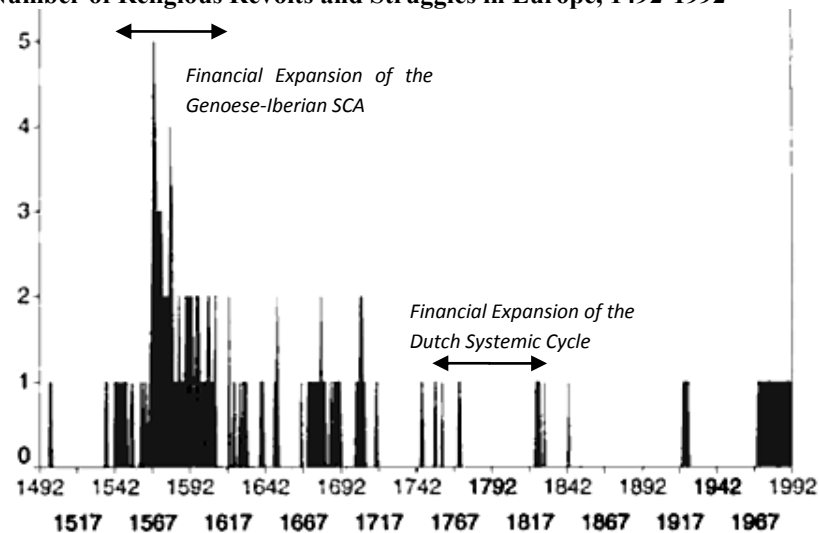
There were two sources of unrest in Saint-Domingue. The first one was the movement of the French colonial elite who saw the revolution in France as an opportunity to gain their independence, to take control of the resources of the island to expand their wealth and power. And the second source of state-seeking unrest was the massive slave population of Saint-Domingue. In the late 18th century, slave insurrections were increasing in North America very rapidly. Soon Saint-Domingue became a hotbed of slave insurrections, revolts and revolutions (Silver & Slater, 1999, pp. 168-172). To contain the state-seeking movement in its most-prosperous colony, the revolutionary French government tried to reduce the need for separate statehood in the island by granting the civil and political rights to the free men of color in the colonies. But this did not stop Saint-Domingue from revolting against France. Making good use of the interstate rivalry between France and the Anglo-Spanish alliance (Wallerstein, 1988, p. 243), Saint-Domingue gained its independence in 1801 under the leadership of Toussaint L'Ouverture, and became the first successful slave revolt which managed to create a state for its own. In 1802, Napoleon restored French control of Saint-Domingue. They lost control of the island again when the British attacked French forces and prevented the arrival of any reinforcements to the island. In 1804 Saint Domingue was independent

again. It is stated that after the independence of Saint Domingue, Napoleon shouted "Damn sugar, damn coffee, damn colonies!" (Merriman, 1996, p. 557)

Transformation of Nationalism During the Dutch Systemic Cycle

We have seen that similar to financial expansion periods of the Italian city states and the Genoese-Iberian systemic cycle, the financial expansion period of Dutch hegemony also coincided with an escalation of state-seeking movements. Unlike the Genoese-Iberian systemic cycle, however, the state-seeking movements during the Dutch systemic cycle did not assume a religious outfit. Religion was no longer a word for nationalism. As Tilly (1993) and Boswell and Chase-Dunn (2000) showed, in the late 18th and the early 19th century, there was a radical decrease in the number of religious revolts and revolutionary situations based on religion.

Figure V-13: Number of Religious Revolts and Struggles in Europe, 1492-1992



Source: Boswell and Chase-Dunn (2000, p. 57)

The Protestant thirteen colonies did not have any significant religious conflict with the British crown. Religion did not have anything to do with the *creole* uprisings in the Spanish America. Although Ireland was mainly a Catholic region, the "Volunteers"

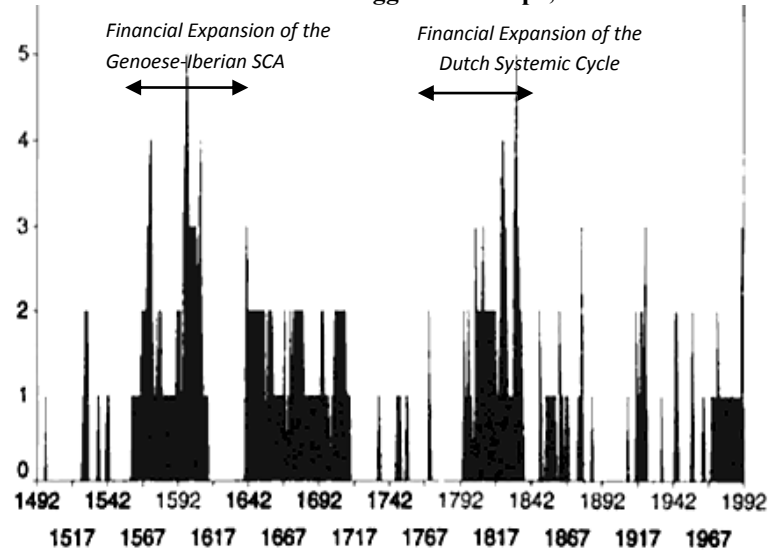
were mostly composed of Presbyterians at this era and United Irishmen was mostly a secular organization (Birn, 2005, p. 493).

Language did not play a role in state-seeking movements of the Dutch systemic cycle either. It is true that religious struggles of the Genoese-Iberian systemic cycle had an effect on the development of vernacular languages. It is also plausible that after the saturation of markets of Latin-readers, attempts of print-capitalism to use Protestantism in order to make profits out of printing Bibles in vernacular languages also led to the development of linguistic identities and nationalist-consciousness in Europe to a particular degree (Anderson B. , 1991, pp. 37-46). However, during the Dutch systemic cycle, especially in the American colonies, most of the actors of state-seeking movements did not differentiate themselves from their masters in terms of the language they spoke. Ironically the aristocratic classes of main European powers were more similar to each other in terms of the language they spoke (all of them spoke French) than they were with their own populaces. The French language was the high-culture of the aristocratic classes of all "nations" of the time. But in France, in 1789, more than fifty percent of the French population did not speak French at all and only less than 13 percent of them spoke it accurately (Hobsbawm E. J., 1992). Lower classes of France spoke Breton in the far west, Basque in the southwest, German and Yiddish in the eastern province, and various dialects in the south including a version of Italian in Corsica (Hunt L. , 1996, p. 21). There was no significant linguistic unity among populations. Thus language was still not a primary issue for state-seeking movements.

What was common in these state-seeking movements then? There were two features of these movements. First, similar to the financial expansion period of the

Genoese-Iberian systemic cycle, state-seeking movements during the Dutch financial expansion period were "anti-centralization" movements. They were reactions against their rulers who attempted to break former political compacts by pursuing further centralization.

Figure V-14: Number of Anti-Centralization Struggles in Europe, 1492-1992



Source: Boswell and Chase-Dunn (2000, p. 57)

Second most of these movements were "democratic" movements by "large middle class societies" demanding representation, recognition or constitutional rights in one form or another. In the Revolution of the Thirteen colonies, the problem was the geographical scope of "representation". Settler colonialists were Englishmen but they were not represented in the British parliament. British parliaments decisions regarding tax increases in American colonies, brought this "representation" problem into the agenda and became the motto of American War of Independence.

In the territories of the Absolutist rulers, the demand for "representation and recognition" was related to concentration of all power in the hands of the monarch after suppression of parliamentary activities. State-seeking movements and other social

revolutions between 1770 and 1810, helped the creation of a new image of "nation" which was almost the antithesis of the seventeenth and the eighteenth centuries. Before the revolution, for instance, the French nation was a typical example of Carr's *first period* nations. Segurier's description of Louis XVI in 1776 was the dominant form of representation of "nation".

The clergy, the nobility, the sovereign courts, the lower tribunals, the officers attached to these tribunals, the universities, the academies, the financial companies, the commercial companies, all present, and in all parts of the State, bodies in being which one can regard as the links of a great chain of which the first is in the hands of your majesty [Louis XVI], as head and sovereign of all that constitutes the body of the nation (cited from Breuilly (1982, p. 89))

By late 1780s, however, this image was changing. In his famous pamphlet *Qu'est-ce que le tiers-état? (What is the Third Estate?)*, Sieyès's ([1789] 2003) criticized this notion by underlining the injustice made through the exclusion of the "Third Estate" from the political nation. Sieyès's criticism - as well as the struggle of the Third Estate - directly challenged the existing conception of nation that was represented in the body of Louis XVI. The French Revolution turned this definition upside down. After the revolution, the nation was no longer belonged to the sovereign but sovereignty belonged to the nation. As the Declaration of the Rights of Man and of Citizen (1789) put it: "The Nation is essentially the source of sovereignty; nor can any individual, or any body or men, be entitled to any authority which is not expressly derived from it". The French Revolution of 1789 replaced the Hobbesian image of nation embodied in the figure of the king with a Rousseauian image that equated nation with people.

Nevertheless, it is not possible to say that the "people" became a part of the "political nation" after 1789. The overwhelming majority of the bourgeoisie did not see working classes and peasants as a part of the "emerging nation" which deserved

representation and political rights. The 1789 Declaration of the Rights of Man and of the Citizen made sure that only white, male, land-owners, who paid taxes equal to three days work, could vote. In other words, the 1789 French Revolution only recognized the right to vote to 4.3 million people out of 29 million people. Together with females, slaves, foreigners and children, a large part of the working class and peasantry was denied active citizenship, and thus from the political nation. The political rights of the French male working class and peasantry (still excluding the unemployed and the servants) were temporarily recognized after the 1792 revolution. But these segments were excluded again from the political nation with the counter-revolution of 1795. And the debates about the status of servants, the propertyless, the poor continued in France and elsewhere throughout the 19th century and these debates were not resolved until the 20th century.

Emergence of a New State-Building Strategy in Revolutionary France

At the beginning of this chapter we underlined that, during the transition to Dutch hegemony, a "novel" conception of "nation" was emerging in Dutch (and British) territories. Likewise, during the decline of Dutch hegemony and transition to British hegemony, a new conception of "nation" was emerging in French territories due to a novel state-building strategy invented by the Jacobin rulers.

The new type of state created by the French revolution was more centralized than the Absolutist rulers of the 17th century and 18th centuries. Indeed, absolutist states still were examples of "indirect rule", where the states penetrated into the society only using intermediary agents such as aristocracy or clergy. This time, however, the French revolution showed that states could penetrate into society through direct rule as well.

Similar to Ferdinand and Isabella who unified existing brotherhoods under *Santa Hermandad* and established central rule in Castile, the Jacobin leaders managed to unify "thirty thousand communes" that emerged during the "municipal revolution" for centralizing their rule as well. Soon these communes became most important instruments of "direct rule" for the newly emerging "French" state. These militias of revolutionary communes soon assumed the role to stop the crowds from burning tax offices, pillaging houses of the magistrates and wealthy citizens (Gillespie, 1930, p. 503). The same militias also formed "National Guards", which made the full penetration of the state into the society possible. This was a novel invention.

The Jacobin Revolution of 1792 also created counter-revolutionary movements in the peripheral regions of France such as Vendee, Brittany, Normandy, Gironde, Franche-Comte, Dauphine and Provence in 1793. All of these movements were anti-centralization movements against mandatory military conscription, anti-monarchical and anti-aristocratic sentiments of the new Republic. To contain these movements, the French state not only used force but also started to assimilate these populations into a new culture. The opposition to the newly emerged state was coming mostly from the peripheral areas of France, which coincided with these linguistic differences. In a report to the National Convention (dated Jan 27, 1794), Bertrand Barère wrote "federalism and superstition speak Breton, emigration and hatred of the Republic speak German, the counterrevolution speaks Italian, and fanaticism speaks Basque. Let us break up these instruments of harm and error" (Hunt L. , 1996, p. 21). After 1794, all rulers of the French state attempted to provide the unity of their population by promoting French, especially in the peripheral areas of the state. As we have underlined, at the beginning of

the Revolution, linguistic issues were not important at all. However, the French state that emerged after the Revolution started to have linguistic concerns. Actually they were the ones who started the linguistic assimilation process as a part of their state-building strategy¹².

Napoleon Bonaparte used this state-structure to establish a new centralized Empire in France. Additionally he opened high schools (*lycées*) in various parts of the empire which promoted the values of the French Revolution and the Napoleonic Empire. These schools were intended to educate a new generation of technically trained and loyal militant officers and to reproduce patriotic feelings among these cadres. In 1808, Napoleon created France's first public university system, charging it with "direct[ing] political and moral opinions" (Merriman, 1996, p. 566). When Jacobin state-building strategies (central rule, linguistic homogenization, mobilization of the masses for public services, nationalist propaganda through education) merged with mandatory military conscription, a very "novel" state structure that the world has not seen emerged. There is no evidence if this structure helped the accumulation of further capital in France. However, there is no question that this political structure created the greatest army of Europe at the time. Napoleon Bonaparte was able to mobilize this army during his Napoleonic Wars which intensified the chaos of the early 19th century. We will examine

¹² Likewise, although the French revolution did not have a "religious" basis, this did not mean that religion was no longer perceived as a political threat. In October 1789, one anonymous pamphlet in France still saw "the spirit of Calvinism [as] a spirit of independence, plunder, intolerance, injustice and inhumanity" (Hunt L. , 1996, p. 20). And the revolutionary French government saw Catholicism as a political threat as well. To contain this threat, they turned bishops and priests of the Catholic Church to workers paid by the state. To put it differently, French state became a "secular" state, which became an integral part of their strategy of containing religious based threats.

the aftermath of the Napoleonic wars and the impact of these state-building strategies in the following chapter.

VI. GLOBALIZATION AND SOCIALIZATION OF NATIONAL INDEPENDENCE: NATIONALIST MOVEMENTS OF THE BRITISH SYSTEMIC CYCLE

One of the interesting principles of the Peace of Westphalia (1648) was that in order to minimize the effects of inter-state warfare on commercial activities it had made civilians no longer a party to inter-state conflicts (Carr, 1945, p. 4; Taylor, 1994; Taylor, 1996; Arrighi, 1994, p. 43). However the French "Jacobin" Revolution of 1792 and the take-over of Napoleon Bonaparte in 1799 changed the rules of inter-state warfare - once again - when they conscripted the new "French" citizens and created the most powerful army of their age (Tilly, 1990, pp. 107-114; McNeill, 1982; Merriman, 1996, pp. 561-566). From 1789 to 1814, the size of French army rose from 180,000 to 600,000 surpassing every single great power of Europe (Kennedy, 1989, p. 99).¹ Between 1800 and 1815, perhaps as many as 2 million men served in or allied with Napoleon's armies (Merriman, 1996, p. 565). Military power of the new French Empire under Napoleon was not only superior to others because of its size but also because of (1) the high level of coordination and centralization which was provided through the implementation of "direct rule" (Tilly, 1990; Hechter, 2001) and (2) the high level of "internal solidarity" which was provided through an appeal to a new kind of state-led nationalism (Merriman, 1996). Nationalism supported war-making and battles (lost or won) justified nationalism.

¹ The greatest territorial power of the time was Russia, who had 300,000 men in 1789 and only 500,000 in 1814. And in 1814, the size of army in Britain, Prussia and the Habsburg Empire was only around 250,000 (Kennedy, 1989, p. 99).

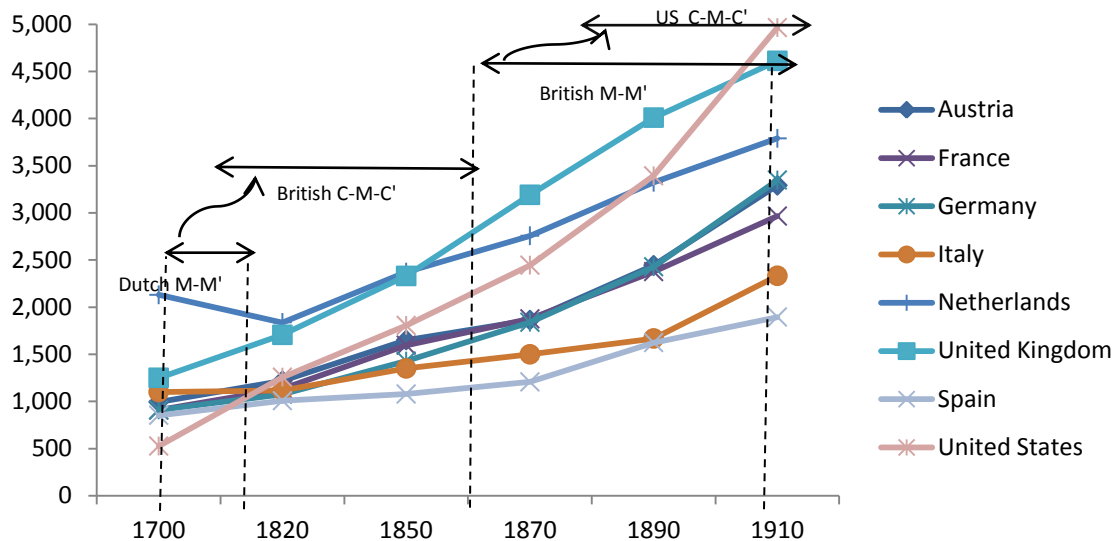
This is how aggressive French forces pulled other European states into a period of uninterrupted warfare from 1792 to 1815 (Hobsbawm E. , 1996, p. 77).

The Jacobin and Napoleonic Wars, which brought Europe into a real chaos, were far more devastating than the Thirty Years' Wars and Eighty Years' Wars. The French conquests under the Jacobins and Napoleon changed the territorial map of Europe substantially. Belgium was annexed in 1795. The Netherlands became a satellite French Republic under the name Batavian Republic in 1795 and became the Kingdom of Holland in 1806 with the accession of Louis Bonaparte. An important part of the Rhine Confederation was annexed by French armies and the Grand Duchy of Berg and the Kingdom of Westphalia was created in 1807. The confederation of Switzerland (Swiss cantons) was occupied and the Helvetic Republic was proclaimed in 1798. Similarly in Italy, the life of many former city-state republics including Genoa and Venice came to an end in 1797 and a new string of republics (the Cisalpine, the Liguarian, the Roman and the Partenopean etc.) were established between 1797-1799 (Hobsbawm, 1996, p. 82; Hayes, 1931). During the Napoleonic invasions, the number of German principalities was reduced from hundreds to a total number of forty.

Similar to the United Provinces, which managed to rise to global preeminence by coordinating a coalition of states against the Spanish-Habsburg and the Holy Roman Empires during the late 16th century, "Britain emerged from the Napoleonic Wars as the most powerful state in the world, both militarily and economically" (Silver & Slater, 1999, p. 172; Kennedy, 1989, p. 151) by organizing a new order though leading an anti-Napoleonic coalition (Kennedy, 1989, pp. 136-147; McNeill, 1982, pp. 202-203; Arrighi, Hui, Ray, & Reifer, 1999, p. 57). It was also the might of the British military forces

which stopped Napoleon in the Battle of Waterloo in 1815. But this was not the only reason which made Britain the "hegemonic power" of the nineteenth century.

Figure VI-1: GDP per Capita of Selected World Powers, 1700-1910 (1990 International Geary-Khamis dollars)



Source: Maddison Tables, see Maddison (1996)

Besides being a key political and military power, like the United Provinces two centuries ago, the United Kingdom started a new systemic cycle of accumulation of historical capitalism. British entrepreneurs started attracting Dutch capital as early as the 1740s². They used this capital not only for military purposes but also for productive activities. They were able to change the trajectory of capitalism by initiating another revolution which was not less important than the French Revolution itself: "the Industrial Revolution". The British hegemony transformed production starting the age of industrial capitalism (Hobsbawm E. , 1996, pp. 27-52). British industrial pre-eminence also gave her a greater stake in trade, thus, from the point of trade and circulation, the British could

² "By 1758, Dutch investors were said to hold as much as a third of the Bank of England, English East India Company and South Sea stocks. Four years later a well-informed Rotterdam banker estimated that the Dutch held a quarter of the English debt, which then stood at £12 million" (Arrighi, Hui, Ray, & Reifer, 1999, p. 52; Boxer, 1965, p. 110; Braudel, 1992, pp. 246-247).

favor an international "free-trade" policy based on the theory of *laissez-faire*. In the early 19th century the British GDP per capita surpassed the Dutch; and remained at the top of the global economic hierarchy until the early 20th century.

Unlike the dominant economic paradigm (i.e. "mercantilism") that prevailed during the Dutch hegemony, the British did not consider the size of the cake to be fixed, but constantly expanding through private entrepreneurship (Carr, 1945, p. 12). Thus unlike the Westphalian order under Dutch hegemony, the commercial needs of the British hegemonic system did not require constant wars among states. Assurance of peace among great powers seemed more profitable for international trade. With this presumption, the British statesmen did their best to bring new norms and standards to international trade. In the economic sphere the international gold standard was established and in the political sphere the balance of power was restored in Europe. The result of this combination of novelties created a phenomenon known as the "Hundred Years Peace" (*Pax Britannica*), which was - according to Karl Polanyi - "a phenomenon unheard of in the annals of Western civilization" (Polanyi, [1944] 2001, p. 5).

In this chapter we will analyze the trajectory of state-seeking (nationalist) movements during the "Hundred Years Peace". Similar to previous chapters, our analysis of state-seeking nationalist movements in this era will distinguish the material expansion period (C—M—C') of the British systemic cycle from its financial expansion period (M—M'). This distinction, as we know, largely overlaps with British periods of hegemonic consolidation and hegemonic crisis, respectively. Although it is difficult to provide an exact date for the transition from the material expansion period to the financial

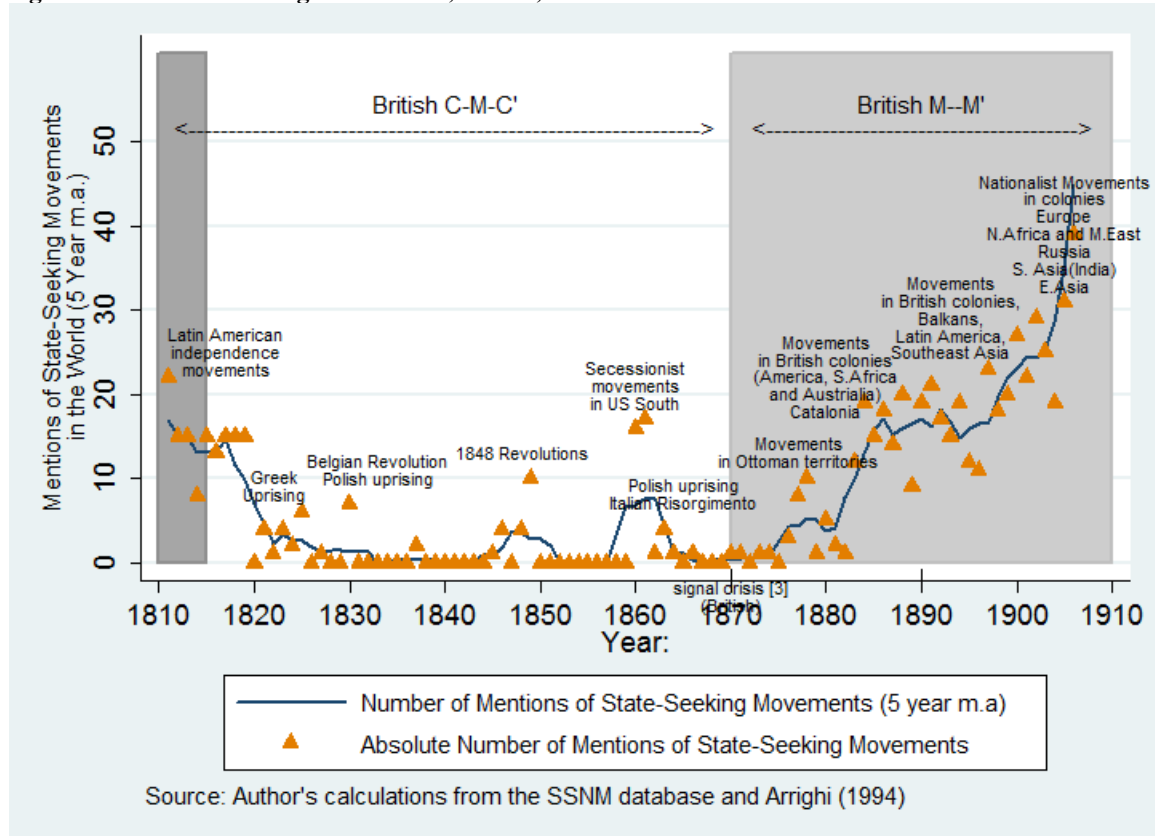
expansion period, following Arrighi, we will use the 1865/1871 - the signal crisis of British hegemony - as the turning point.

The period we will analyze in this chapter, "the long nineteenth century" has a unique place in studies of nationalism. This is the period when *nationalism proper* took off (Gellner, 1983; Hobsbawm, 1992; Anderson B. , 1991; Kedourie, 1994; Deutsch, 1953). Hence it might sound absurd to repeat our argument that state-seeking movements were contained during material expansion / hegemonic consolidation period and they intensified during financial expansion / hegemonic crisis period of "the long nineteenth century". After all, a quick historical overview will reveal that most of the Spanish and Portuguese settler colonies in America gained their independence and were incorporated into the modern inter-state system during the British hegemonic consolidation period. Similarly, independence of Greece from the Ottoman Empire, successful revolt of Belgium against the newly established Kingdom of the Netherlands, Polish and German nationalist uprisings and nationalist movements of the 1848 revolutions all occurred during the British hegemonic consolidation period.

It is true that frequency of state-seeking movements during British hegemonic consolidation period was much higher than material expansion periods of the previous systemic cycles. This, however, does not invalidate our primary thesis because the frequency and strength of state-seeking nationalist movements during the financialization period of the British systemic cycle dwarf all of these state-seeking activities that occurred during the hegemonic consolidation period (see Figure VI-2). Although state-seeking movements during British material expansion / hegemonic consolidation period were much higher during material expansion / hegemonic consolidation periods of

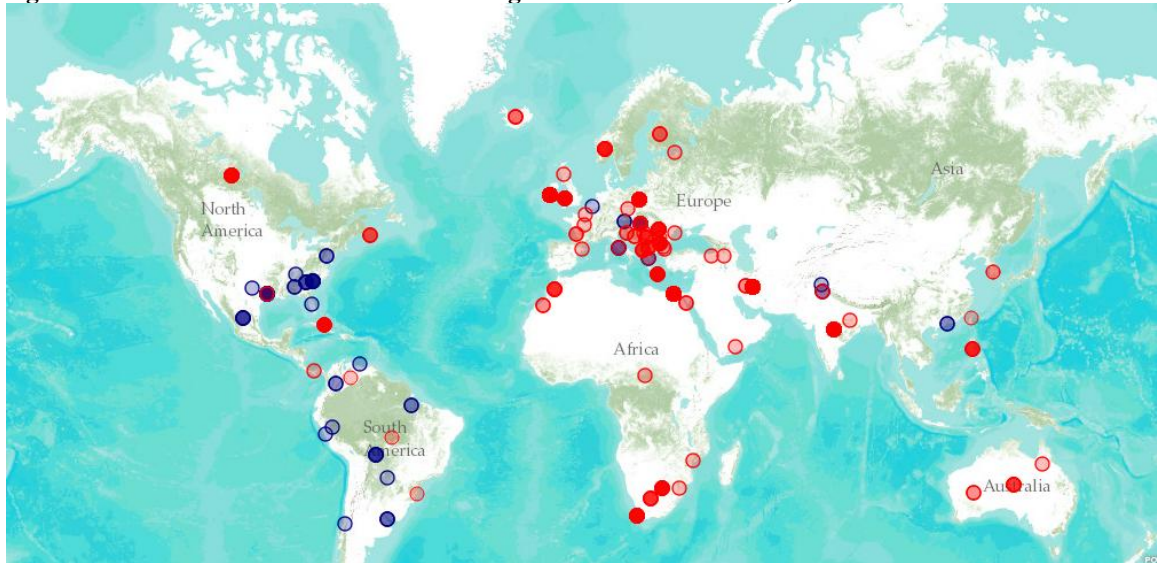
previous systemic cycles of accumulation, it was also lower than the Dutch as well as than the British financial expansion period.

Figure VI-2: State-Seeking Movements, World, 1810-1910



Spatial decomposition of state-seeking movements also reveals an important difference between periods of British hegemonic consolidation and its crisis. As Figure VI-3 illustrates, majority of state-seeking movements during British hegemonic consolidation period took place in the American continent. Only after 1847, mostly because of the 1848 movements, did nationalist movements turn back to the European continent in a significant manner. During British financial expansion period, however, state-seeking nationalist movements not only increased in frequency but they also became a world-wide phenomenon.

Figure VI-3: Main Locations of State-Seeking Activities in the World, 1810-1910



Source: SSNM Database, see Appendix B. Blue circles mark state-seeking movements from 1810 to 1870 (C-M-C') and red circles mark state-seeking movements from 1870 until 1910 (the first phase of the M-M'). The level of darkness of each circle indicates the frequency of mentions about state-seeking movements from each region.

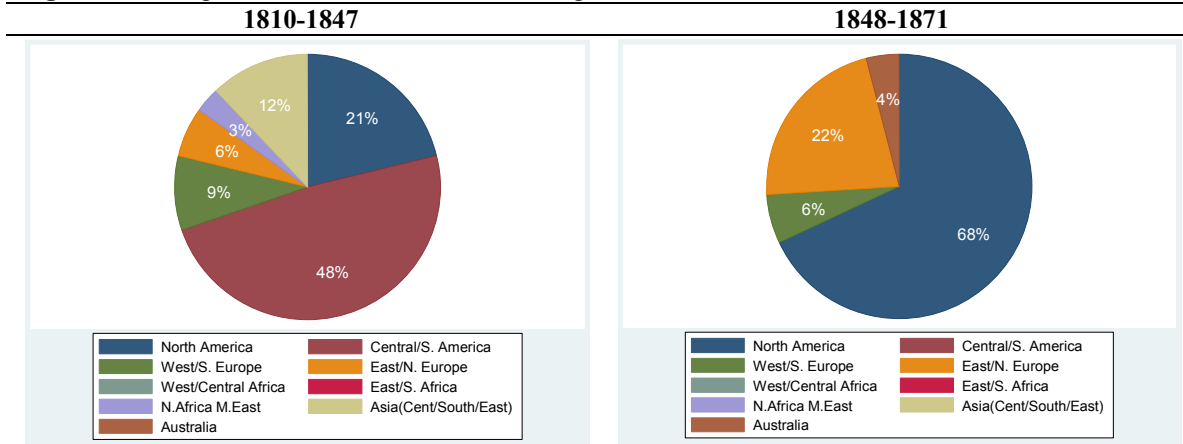
To understand how state-seeking movements were affected by periods of hegemonic consolidation and crisis in the long nineteenth century, in this chapter we will examine each period more closely. We will pursue our analysis in three steps: First, we will investigate state-seeking movements during British material expansion and hegemonic consolidation period (1810-1870). Secondly, we will examine state seeking movements during the early British financialization and hegemonic crisis period (1870-1910). After we compare both periods, in the third section, we will discuss the transformations that occurred in the forms of state-seeking movements in the course of the long nineteenth century.

State-Seeking Movements During the British Material Expansion - Hegemonic Consolidation Period, 1815-1870

The main location of state-seeking movements during the British hegemonic consolidation period was the American continent. According to the SSNM database 68

percent of newspaper reports about state-seeking movements during British hegemonic consolidation period belonged to the movements in the American continent³.

Figure VI-4: Regional Distribution of State-Seeking Nationalist Movements, 1810-1871



Source: SSNM Database

Especially in the first half of this period, overwhelming majority of mentions regarding state-seeking movements belonged to decolonization movements in Central and South America. A striking feature of these movements was the exceptional high degree of success in establishing new states. Hence, as we will discuss in detail below, it can be argued that state-seeking movements which erupted during the Dutch financial crisis and hegemonic transition period gained their independence and incorporated into the modern inter-state system during British hegemonic consolidation period. To put it differently, many of these nationalist movements were "resolved" during British material expansion and hegemonic consolidation period.

In the second half of the British hegemony, however, secessionist movements in Latin America almost literally disappeared and secessionist movements in North America

³ As Appendix B discusses in more detail, this do not include the Irish rebellion. If we include mentions of regarding the Irish nationalist movement, the mentions of state-seeking movements in Americas will decrease from 68 to 65 percent.

became prominent. Furthermore, in this post-1847 period, newspaper reports about state-seeking movements in Europe increased from 15 to 28 percent. 6 percent of these mentions belonged to movements in Western and Southern Europe and 22 percent of it belonged to the movements in Northern and Eastern Europe⁴. From 1810 to 1870, as a whole, majority of the newspaper reports regarding state-seeking movements in Europe belonged to nationalist uprisings in Eastern Europe, to some of the uprisings within the European territories of the Ottoman Empire (e.g. Greek uprising), to Belgian and Polish uprisings and to the 1848 revolutions⁵.

It is important to recognize that, in many ways, the trajectory of state-seeking movements in Europe during 1810-1870 period was almost the opposite of the trajectory of state-seeking movements in Latin America. In Latin America, national problems that emerged during the financial expansion period of the Dutch systemic cycle were gradually "resolved" during the material expansion of the British systemic cycle. But this did *not* happen in Europe. On the contrary, during material expansion of the British systemic cycle, while many middle-class revolts and protests turned into state-seeking rebellions, they were - repeatedly - crushed by the forces of the *Holy Alliance*.

This is because British hegemony was established on a basic structural contradiction. As we mentioned in Chapter II, consolidation of each world hegemony presupposed the establishment of historical compromises and hegemonic social compacts

⁴ See Appendix B for regional classifications. If we add the mentions of the Irish rebellion, the mentions of state-seeking movements of Europe will increase from 22 to 28 percent; mentions of state-seeking movements in Western Europe will increase from 6 to 13 percent.

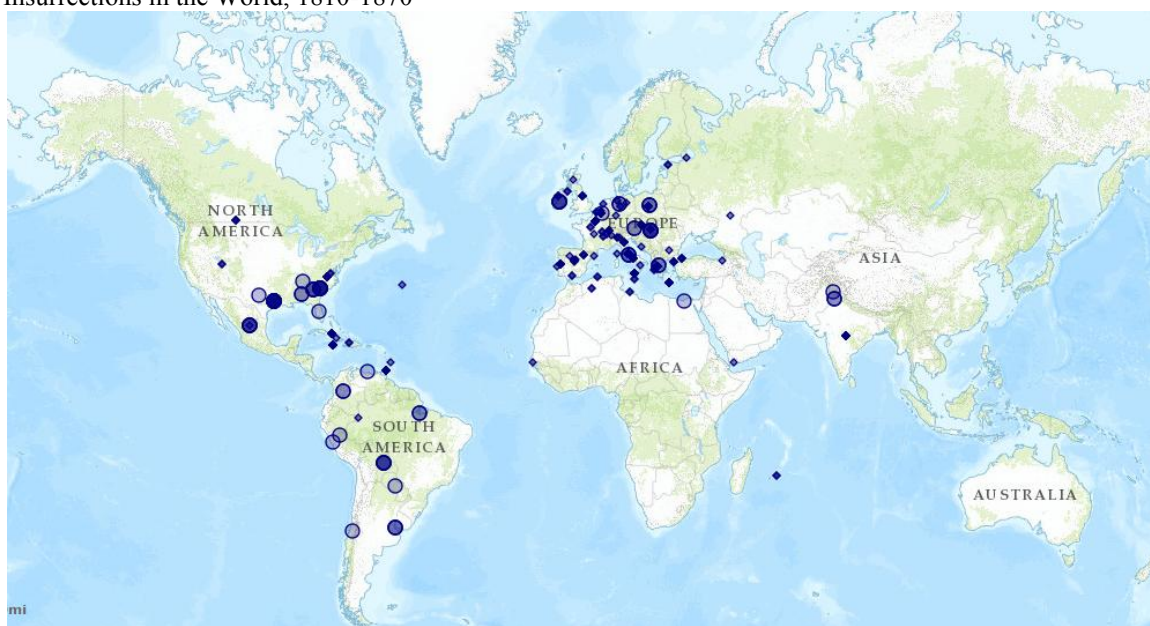
⁵ According to the SSNM database, we also see that the Kingdom of Hanover gains its independence in 1837. Yet this is not the result of a state-seeking movement but the end of the personal union between the thrones of the United Kingdom and the Kingdom of Hanover, due to a law that prohibits the Kingdom of Hanover from having a female monarch.

which aim to bring social conflict under control by co-opting rising social groups (Silver & Slater, 1999). The rising social groups of the British hegemonic consolidation period were the urban bourgeoisie and other middle-classes. The industrial revolution, British *laissez faire* policy and ever expanding world-markets also supported the further development of these classes in Europe. But there was an obstacle in the way of the social and political co-optation of these middle classes. After the Napoleonic Wars, in order to re-establish international stability for the pursuit of profits, British statesmen - following in the footsteps of the Dutch statesmen of the mid-17th century - participated in the making of the *Vienna Congress (1815)* and negotiated with the Austrian, Russian and Prussian monarchies; in other words with the forces of the *Holy Alliance*. Unlike the United Kingdom, however, these monarchies did not see the rise of middle classes beneficial to the interests of their crowns.

Hence emerged a simple contradiction. The shell of the post-1815 political system - often referred as the "Age of Restoration" - was a conservative one which aimed to preserve and restore the monarchies of Europe. But the economic and social base of this economic system was capitalist and liberal, which contributed to the further development of the bourgeoisie and the middle classes, who demanded a different political structure. Thus the social (class) base of British hegemony was in stark opposition with its political structure. And this liberal social base was constantly attempting to crack its conservative shell. Hence British hegemonic consolidation period turned out to be an exceptional one in terms of levels of revolts and revolutionary upheavals⁶.

⁶ If we look at mentions of all types of revolts and revolutionary activities from the Vienna Congress to the 1840s, we will see a long list: In the Iberian peninsula, we have the Porlier insurrection of 1815, the

Figure VI-5: Main Locations of State-Seeking Activities and Other Kinds of Revolt, Revolutions and Insurrections in the World, 1810-1870



Source: SSNM Database, see Appendix B. Blue circles mark mentions of state-seeking movements from 1810 to 1870 (C-M-C') and blue squares indicate mentions of other sorts of revolts, rebellions and revolutions in the same period. The level of darkness of each circle indicates frequency of mentions about state-seeking movements from each region.

There was a second factor which contributed to this anomaly. Although Napoleon's army was dissolved after the *Battle of Waterloo*, the ideals he was propagating remained. Between 1815 and 1848, an unprecedented number of secret societies and conspiratorial revolutionary organizations flourished in Europe⁷. There were also thousands of ex-Napoleonic officers and officials ready to take part in these organizations to realize these aims (Clark, 1998, pp. 36-37). These organizations believed that men could make their own history in the way that they wished, if - of course - they

revolution and counter-revolution of 1820/23 and the Carlist Wars of 1833/36, and numerous insurrections in Madrid, Barcelona and various regions in Catalonia and Portugal between 1840 and 1846. In the Italian peninsula, there were insurrections in Corsica in 1815, in Sicily and Piedmont in 1820/21 and in various other regions (including Bologna, Modena and Calabria) in the 1830s and early 1840s. In the British Isles, besides the Irish unrest there were the Scottish "Radical" Revolution in the 1820s, Chartist movement and various other working-class movements in the 1830s. And finally, France was also a main location of middle-class revolutions, anarchist/socialist revolutionary insurrections and worker movements. The 1830 French Revolution, 1831 Lyon Uprising, 1836 and 1839 insurrections were among them.

⁷ Some of the revolts in the Italian peninsula in this period, for instance, can be very well seen as state-seeking movements. Because their purposes were not manifested at the time, and because they failed, however, they were not counted as state-seeking events by the SSNM database.

had access to cadres and weapons. They relied mostly on their organizational power and they did not need the support of the masses for their actions. Hence the favorability of structural and objective conditions - the conditions which we mostly trace in this study - did not matter much for most of these organizations. In most cases, as the experience of the Blanquist revolutionaries illustrates, they knew the date of their insurrection months in advance.

These two factors - the creation bourgeois democratic movements aiming to crack the conservative political shell and a high number of conspiratorial revolutionary organizations ready to rebel - made British hegemonic consolidation period an unusual one in the history of capitalism. In this atmosphere, the European statesmen attempted to contain these revolts and revolutions through "increasing the cost of collective action". After providing peace at the international level, statesmen of Europe "sought to increase their domestic military capacity and to disarm the population. The spread of state-wide police forces in the European states occurred roughly at the same period of time, beginning in the early nineteenth century" (Hechter, 2001, p. 61). The police forces inspired by the French *gendarmerie* were not the only coercive tool utilized by statesmen of Europe to suppress these movements. As we have underlined, the *Holy Alliance* was also an international coalition which acted as the transnational police force of Europe. From this point of view, there is a similarity between the establishment of *Santa Hermandad* in Castile during the early Genoese-Iberian systemic cycle, coercive activities of European states after the Peace of Westphalia during the early Dutch systemic cycle and coercive strategies employed during the early British systemic cycle.

One must differentiate, however, the role played by the *Holy Alliance* in the suppression of these movements, and the role played by the British statesmen. The attitude of British statesmen was an extremely pragmatic one. Almost every time the *Holy Alliance* was about to fail in suppressing these bourgeois-democratic movements, Britain chose to support these movements (to co-opt them) rather than suppress them. Hence from time to time these revolts and revolutions were successful. When some of these revolts and revolutions of the British hegemonic consolidation period successfully disturbed the international order, they also created new opportunity structures for state-seeking movements to mobilize. This created a curious synchronization between different social movements and national movements in Europe.

Still, however, statesmen of Europe were extremely successful in containing state-seeking movements through combination of "force" and "consent" from 1815 to 1870. Although nationalist movements and nationalist ideology was definitely on the rise, statesmen of Europe - especially the emperors of the multinational empires - avoided the dissolution of their Empires in this period. As we will see below, what helped most to the statesmen of Europe was the lack inter-great power warfare in Europe and establishment of the social and political compacts due to the virtuous political-economic environments.

British Hegemony and the Decolonization Americas: From Chaos to Order

During the British hegemonic consolidation period, the main location of state-seeking nationalist unrest was Latin America. In Chapter V, we discussed the intensification of state-seeking movements in the American continent during the Dutch

financial expansion period. It can be argued that the national problems that emerged during the financial expansion period of the Dutch systemic cycle were "resolved" during the material expansion of the British systemic cycle. Utilizing the opportunities created by the Napoleonic wars, all settler colonies in the Americas managed to fight against the Spanish Empire, gained their independence and established contemporary states such as Chile, Argentina, Paraguay, Peru, Mexico, Colombia and Venezuela during this hegemonic consolidation period.

The new hegemonic power - the British empire - played a significant role in creating an order out of this chaos. Many British naval and military officers, sailors and soldiers took part in the independence movements. The Austrian and Russian monarchies were extremely concerned about these developments. They wanted to restore monarchical order in Spain and to quell these nationalist movements. But these plans for "intervention and restoration in Spanish America was effectively barred by Great Britain - and the United States" (Hayes, 1959, p. 631). As Arrighi put it "what later became the Monroe doctrine - the idea that Europe should not intervene in American affairs - was initially a British policy" (Arrighi, 2007, p. 242). The British government was the first to recognize these new nations in spite of the opposition from Spain, Russia and Austria. They established strong commercial relationships with the new American nations which were hitherto under the monopoly of Castile. Incorporation of these new nations into her sphere of influence was an important step for the establishment of British hegemony as well. All these nations, in exchange, welcomed British leadership and acted in accordance with the British commercial interests.

British policy regarding the independence of colonies was extremely pragmatic. The British government was by no means a defender of independence of colonies. On the contrary, during the Napoleonic Wars, the British did not set Cape Colony or Ceylon free. They took these colonies from the Dutch Empire and made them their own possessions (Rapport, 2005, p. 100). When the Boers - former Dutch settlers - established the Republic of Natalia in 1839 in South Africa, as another example, the British did not hesitate to annex them either. Thus if the British supported independence movements of the South American colonies, it was because, they were liquidating massive colonial possessions of the Iberian powers. It is not surprising that "by the end of the first quarter of the nineteenth century, it appeared as if European overseas imperialism was waning rather than waxing, with only the British overseas empire actually experiencing any growth" (Rapport, 2005, p. 101).

Having said this, we must also underline that the establishment of new states in settler colonies did *not* "solve" all existing national problems in the region. Rather it created a number of "unfinished businesses" some of which still remain today. It is a misleading oversimplification to argue that all former colonial administrative units turned out to be new nations of South America. There was a whole list of national projects and state-seeking movements which failed to establish independent states in this period. If one looks at the nations which declared their independence in this period, he/she will also "nations" - such as Bahians, Zulians, Mayans/Yucatan, West Floridians, Texans, Californians or people of Buenos Ayres - which still do not have states of their own. True, as Benedict Anderson (1991) noted, nations are "imagined communities". However the trajectory of independence movements in the American continent teaches a far more

important lesson for understanding contemporary nationalism. During state-formation periods, there were multiple and contradictory imaginations for nations in one territory. And most of the time one nation's imagination was another's imprisonment.

Thus in the American continent, former administrative units did not automatically turn into contemporary nations. This was a period of partial instability, which encountered repeated occurrences of state-formations and break-ups, unifications and dissolutions; territorial expansions, annexations and secessions. Mexico, for instance, had its war of independence against the Spanish Empire between 1810 and 1821 (Fowler, 2008). In this time period not only Mexico but also Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica declared their independence from Spain. However instead of establishing independent states, these colonies decided to join the newly established Mexican state one by one between 1821 and 1823 (Dym, 2008). This is how the Mexican Empire was established. Yet, the life of this empire lasted only for one year. In 1824, former Spanish colonies in Central America seceded this time from Mexico and established a new federation among themselves. Yet their unification did not prove to be stable either. In the 1840s they separated from this federation once again (Fowler, 2008; Dym, 2008).

The secession of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica from the Empire was not the biggest problem Mexico was facing. During the 1820s and 1830s, Mexico dealt with two other problems which were the mirror images of each other. The first was that Mexico was not recognized by the Spanish Empire, which aimed to re-subordinate its former colony especially in the late 1820s. The second problem was that not all people living in the territories of the newly established Mexico felt themselves

to be a part of this nation. In 1839, Mayans of the Yucatan region also seceded from Mexico. But in four years they were annexed by the Mexican state (Minahan, 2002, p. 1216). Similarly, Texas constantly revolted against Mexico in the mid 1830s and finally seceded and established the independent Lone Star Republic (a.k.a. Republic of Texas) in 1836. This time Mexico was playing the role of the Spanish Empire and it never recognized the "Lone Star Republic". In 1848 when the United States annexed Texas, this national problem turned into an inter-state conflict, what is known today as the Mexican-American War (Fowler, 2008; Dym, 2008).

The "Liberator" Simon Bolivar's *Gran Colombia* was another unificationist attempt of this period. Established in 1819, and lasting only until 1831, Gran Colombia consisted of Colombia, Venezuela, Ecuador, Panama, some parts of Peru and Brazil. At the time Bolivar's project was interpreted as a patriotic attempt to bring together the *creole* landlords, middle classes, working classes, Indians and black slaves. Yet the project eventually failed and a number of states seceded from Gran Colombia. This secession process was not very smooth. For instance Antioquians - mostly descendents of the 16th century Basque and Jewish refugees of the Spanish Empire - also attempted to secede from Colombia together with Venezuela and Ecuador but they were convinced later on to stay with the Colombian state (Minahan, 2002, p. 142). Zulians - a mixture of Spanish settler, African slaves and European immigrants in contemporary Venezuela - established a free republic in 1821 and decided to join into the newly seceded Venezuelan state in 1830 (Minahan, 2002, p. 2110).

The struggle of Buenos Ayres against the Argentine Federation was another example of existing conflicts. The May 1810 revolt of Buenos Ayres against the Spanish

Empire, for instance, helped the creation of a number of new states in South America. Paraguay was one of them. As early as 1816, the United Provinces of South America - later United Provinces of the Rio de la Plata - was established in the territories of contemporary Argentina. Yet the first five years were marked by political struggle between Federalists and the *Unitarios* over the type of regime they would establish which quickly turned into a civil war. When a federal constitution was adopted in 1853, Buenos Ayres seceded from the Argentine Federation and proclaimed independence in 1854. Five years later, Buenos Ayres joined the Federation and in 1861 as a province it rebelled again. But this time it became the capital of the Federation and gained control over the rest of the Argentine nation (Spektorowski, 2008).

As these examples illustrate it would not be accurate to state that all national problems in the Latin American continent were solved after the successful decolonization of the early 19th century. Although a number of new problems emerged, the level of state-seeking movements in Latin America remained much lower compared the chaos period of the Dutch hegemonic transition / financial expansion period. Hence, in a way, the general trend in the continent was a trend from chaos to order.

"Political Compacts" of the Ottoman Empire

In some ways, there were interesting similarities between state-seeking movements in Latin America and nationalist movements within the European territories of the Ottoman Empire. Like Latin American movements, nationalist uprisings within the western territories of the Ottoman Empire (e.g. the Greek independence movement) were movements led by large middle class societies which developed in the course of the

18th century and they initially emerged as reactions against the Empire's attempts to centralize its administrative rule since the late 18th century (Hechter, 2001, pp. 73-75). As we discussed in Chapter V, these centralization attempts were observed in many kingdoms and empires of Europe during the Dutch financial expansion period. In the case of the Ottoman Empire, these attempts were also a part of Ottoman modernization strategy which aimed at reversing the decay of the Empire by first preserving its territorial integrity. From the 1790s to the 1840s, Ottoman *sultans* - such as Selim III and Mahmud II - took important steps towards modernization and imposition of central rule. In this time period, "the *Janissaries* were disbanded, and *timars* wound up; *waqf* lands were nominally recalled to the imperial Treasury; foreign officers were imported to train a new army. Central control was reasserted over the provinces, and the reign of the *derebeys* brought to an end" (Anderson P. , 1974, p. 388).

However, assertion of central rule over peripheral provinces and the abolishment of the *timar* system also removed the remaining safety nets of one of the greatest multinational empires of the time. Not surprisingly this movement toward centralization created all sorts of reactions in different parts of the Empire, but especially in peripheral provinces and regions which had hitherto been highly *autonomous* under the previously established *millet* system (Inalcik, 1995, p. 130; Hechter, 2001, pp. 73-75). A Serbian rebellion broke out in 1803-5 and a Greek insurrection followed it in 1812, Romanian uprising took place in 1821 (Barkey, 2008, p. 201). When the *Janissaries* revolted in Istanbul, they coordinated their actions with other state-seeking attempts such as those of the Bulgarians. In the Kurdish regions of Anatolia, insurrections of Kurdish landlords

started to become visible. And in Egypt, Muhammed Ali Pasha (a.k.a. *Kavalalı Mehmet Ali Pasha*) revolted and gained his *de facto* independence (Keyder, 1997, pp. 31-32).

The strongest of these movements took place in areas (1) which had a large middle class society during the system-wide expansion of trade and production during the later phase of the Dutch material expansion and (2) which were more tightly incorporated into the capitalist world economy such as the Greek peninsula (including Crete) (Keyder, 1997; Kasaba, 1988, pp. 34, 49; Karpat, 1973; Agartan, Choi, & Huynh, 2008, pp. 23-30). In 1821 Greece gained its independence. A secret society, *Fliki Eteria* (a.k.a. *Hetaeria Philike*), which was organized around the *Carbonari* principles, played an important role in the Greek national liberation movement (Hayes, 1959, p. 635; Breuilly, 1982, p. 141). But also "various forms of support for the Greek cause, above all from Britain, France and Russia, both official and unofficial played a role in keeping the movement going in the 1820s" (Breuilly, 1982, p. 139). Serbia, the first to revolt, could not gain its independence but regained considerable autonomy (together with Moldovia and Wallachia) due to these uprisings.

But, majority of these strong state-seeking movements took place between 1800s and the 1820s. Serb uprising started in 1803, the Greek uprising started in 1812 and the Romanian uprising took place in 1821. Thus they mostly belonged to the chaos period marking the transition from Dutch to British hegemony. During the British hegemonic consolidation period, curiously, most of these nationalist movements did *not* intensify and except for the Greek movement, none of these movements achieved their independence. Likewise, "many other provinces [in which nationalist movements were likely] remained quiescent until much later" (Barkey, 2008, p. 201). Then, here is the

riddle: How come the Ottoman Empire, - the empire labeled as the "sick man of Europe" because of its economic, political and military-based weakness - managed to contain its state-seeking movements until the 1870s? Davison provides a short answer: "The *Tanzimat* statesmen crushed rebellion wherever they could, played off one great power against another when possible, and instituted measures of domestic reorganization" (Davison, 1963, pp. 5-6). In short, they used a combination of "force" and "consent" to contain their state-seeking movements.

What was novel in these strategies was the type of "consent-building activities" utilized by Ottoman bureaucrats. Hence, an important part of the answer to our puzzle lies in the "political compacts" Ottoman rulers managed to make during the British hegemonic consolidation period. Facing these state-seeking movements Ottoman rulers realized the importance of granting "autonomy", extending the "rights and privileges" of non-Muslim communities, recognizing "citizenship" rights and constantly redefining its boundaries, or if we use Hechter's (2001) language, "reducing the need for independent statehood" in these rebellious regions.

Through military reform, diplomatic efforts and suppressing or coopting the centrifugal tendencies, the bureaucrats were fairly successful in stabilizing formal challenges to their rule [secessionist movements that engulfed various subject groups and set them against the Ottoman center] during the first half of the nineteenth century. They limited their territorial losses and maintained a semblance of formal control even over those areas that were only tenuously linked to the imperial center, such as Moldavia, Wallachia, and Egypt. The negative effect of the most threatening revolts, such as those of the Serbians and the Greeks, were likewise kept to a minimum. Most significantly, by the end of the first decades of the nineteenth century, the Ottomans had already acquired the means of channeling all of their interstate problems to the court of the European Concert. (Kasaba, 1988, p. 49)

From 1830s to 1870s, Ottoman bureaucrats designed a large set of interventions which aimed at winning back the loyalty of the influential non-Muslim population including non-Muslim merchants and other notables (Kasaba, 1988, p. 51; Davison,

1963). Largely inspired by the new-French nation-building model, *Tanzimat Reforms* of 1839 attempted to build a new "national" identity of "Ottomanism", which recognized equality of all Ottoman subjects and tried to something of a common citizenship (Davison, 1963, p. 8). The reforms of 1856 (a.k.a *Islahat Fermanı*) redefined existing citizenship rights of non-Muslim subjects more explicitly. Furthermore, Ottoman statesmen granted official titles (as *ayans*, governors or *mütesellims*) to local notables to draw them into the formal hierarchy of the Ottoman administration. They extended the non-Muslim's rights in the judicial system by applying universally recognized principles for cases between Muslims and non-Muslims and by starting to accept the testimonies of non-Muslims (Kasaba, 1988, p. 52). "In an effort to secure the allegiance of non-Muslim groups to the Ottoman government, the central bureaucracy passed a Nationality Act and a Law of Passports, while at the same time the Jewish, Armenian and Greek communities were permitted to draw up their own separate constitutions" (Kasaba, 1988, p. 52).

However none of these strategies would be feasible for the Ottoman rulers without the "Hundred Years' Peace", "contentious coalition" between the British Empire and the *Holy Alliance*, and the system-wide material expansion in trade and production. Because the British foreign policy required the preservation of the *status quo* in Europe, including the Ottoman territories which were being integrated into the political-economic logic of European capitalism (Keyder, 1987, pp. 25-32), Ottoman statesmen could easily get the support of Britain in the emerging conflicts (mostly with Russia or with those arising out of internal rebellions). For instance, "only British support had enabled the Ottoman bureaucracy to escape [out of the conflicts like Mohammad Ali uprising] unscathed" (Keyder, 1987, p. 29). Although the British played a similar role it rehearsed

in Latin American independence movements and supported *some* of the independence movements within the Ottoman territories⁸ - such as the Greek independence movement - (Wallerstein, 2011, p. 55), as a whole, in the course of this "material expansion period" the British empire defended the Ottoman territorial integrity. The treaties signed with Britain in return for protection soon turned the Ottoman Empire an area of free trade and "aided by the world upswing the volume of trade grew by 3.5 per cent per annum from the 1830s until the onset of world depression in 1873" (Keyder, 1987, p. 29). In this period, when necessary, the Ottoman statesmen also enjoyed the British loans especially after the Crimean War of 1856. Hence they could - temporarily - tolerate the economic costs of "political compacts" made with the rising subject nations.

What is important to recognize is that these complex set of "political compacts" were not possible without the re-emergence of post-1815 European balance of power, which required the maintenance of the integrity of the Ottoman Empire. If Europe wanted to avoid wars among the great powers, they realized that the sick man must not die. It is true that the Ottoman statesmen managed to resist a multitude of threats against its integrity by seeking defensive alliance with different great powers (Kasaba, 1988, p. 34). However, what made this kind of a political strategy feasible until 1870s was the existence of a "contentious coalition" within the *hegemonic bloc* which attempted to

⁸ The similarity between the British support of Latin American independence movements and the Greek independence movement can also be extended to British interests in reducing the influence of *Holy Alliance*. As Wallerstein also observed, the primary objective of British foreign policy about Greek affairs was "the slow eating away of the Holy Alliance by embarrassing it where its principles were most shaky. [...] The Greek uprising [...] had the special characteristic of being an uprising of Christians against a Muslem empire, and in particular an uprising of Orthodox Christians. Metternich might remained unmoved, but it was harder for the Tsar of All the Russians. [...] [Furthermore] Greek nationalism served as a wedge that British government could use to undermine what remained of the *Holy Alliance*". (Wallerstein, 2011, pp. 55-56)

preserve the existing *status quo*. Thus, it is not a coincidence that all history textbooks teaching the history of nationalist independence movements within the Ottoman Empire start their narrative with the ideas of nationalism that spread from French Revolution but they all end up focusing on the post-1870 period to show the dissolution. We will turn back to the Ottoman case when we investigate the "financial expansion" and "hegemonic crisis" period of the British systemic cycle below.

Nationalism and Social Revolutions in Europe: 1830 and 1848 Revolutions

Although nationalist movements in Europe was largely "contained" during the British material expansion period, nationalist movements well made use of the opportunity structures created by broader waves of revolutionary upheavals in Europe.

In 1830, for instance, there were nationalist insurrections in Belgium and in Poland. In 1830, Belgium rose up against the Kingdom of the Netherlands, which was one of the first explicit state-seeking oppositions to the territorial settlements of the Vienna Congress of 1815. The last time that Belgium and the Netherlands were unified was during the Spanish-Habsburg Empire 250 years ago. In the intervening two-and-a-half centuries, neither the Belgians nor the Dutch sought to re-unite. Instead, the unification was imposed by the Vienna Congress primarily for security reasons (Hayes, 1959, p. 589). The primary threat for the Vienna Congress was the re-emergence of French influence on Belgium, which had accelerated with its annexation by France in 1795. After the annexation, industrial production of Belgian cities started to expand radically and this was highly beneficial to the French middle-classes. This expansion also continued under the rule of Napoleon and a large French-speaking Belgian middle-class

emerged in the region. Thus with the defeat of Napoleon, statesmen of the Congress of Vienna primarily aimed at breaking this French influence on Belgium.

Of course public opinion was not consulted for this top-down arrangement. There were linguistic differences between these two "nations" but it was probably the least important matter at the time. When the Kingdom declared Dutch as the official language in Flemish provinces in 1823, however, it created a reaction by the French speaking middle-classes. Religious differences - the Dutch being Protestant and the Belgians (especially in Flanders) being Catholic - was a factor in terms of creating public unrest (Hayes, 1959, p. 641). However diverse economic interests also played a significant role. The debt of the Netherlands at the time was huge and required an annual payment of over 14 million florins. Belgians virtually had no debt (Wallerstein, 2011, pp. 65-66). With the 1815 re-arrangement, Belgian middle classes realized that they started paying for Dutch debts. As an article in *The Guardian* (1830), explains:

The great cause of the dissatisfaction and agitation which now exist in the Netherlands is not of recent origin, though it has only recently displayed itself in proceedings and discussions calculated to excite an interest or alarm beyond the limits of that kingdom. The southern and northern provinces of which it is composed speak a different language, profess a different religion and are actuated by rival commercial interests. The junction of Belgium to Holland was effected by the Congress of Vienna, for the supposed security of Europe, rather than for the promotion of their own mutual advantage; the bans were proclaimed without the consent of the parties and like most forced mergers the union has hitherto been neither cordial nor happy (Manchester Guardian, "The Belgian Insurrection", 26 September 1830).

Despite these problems which are not of recent origin, what provided an opportunity structure for the Belgian uprising was the success of another *social* revolution that took place in France (Merriman, 1996, p. 621; Hayes, 1959, p. 641). For liberal middle-classes, the July Revolution of 1830 was the first crack in the conservative shell of the Restoration. The ascension of Louis Philippe with the revolution made French

bankers and liberal politicians - like Jaques Laffitte - to state that "from then on bankers would rule in France" (Marx K. , [1850] 1978). The French Revolution of 1830 and the defeat of Holy Alliance gave Belgians a hope and a necessary motivation. Taking advantage of this international turbulence, a coalition between bourgeoisie and working classes put up barricades, revolted against the Kingdom of Netherlands, and managed to gain its independence (Tilly, 1993, pp. 70-71; Merriman, 1996, p. 621). Britain supported the Belgian cause as well. "Lord Palmerston, the new British foreign secretary [...] recommended to the foreign representatives in London that Belgian independence be promptly recognized. The government of Louis Philippe, itself reposing on a revolutionary bases, was naturally favorable to such a course" (Hayes, 1959, p. 641).

What triggered the Polish insurrection of 1830 was - again - the same "revolutionary" turbulence. Unlike Belgium, which had never been independent before 1830, Poland had a historic kingdom until the partition that took place in the late 18th century. Hence, memories of this historic kingdom were still fresh, especially in the minds of the Polish nobility (*szlachta*) (Breuilly, 1982, pp. 115-117)⁹. The *Szlachta* were not the only group in Poland to resist foreign rule. With the Napoleonic Wars, a number of secret conspiratorial organizations also emerged in Poland and they were highly active by 1830. It was these groups who led the revolts in the November Uprising of 1830. The June Revolution in France and the Belgian revolt provided the necessary instability these organizations were seeking. When Nicholas I proposed to send the Polish army to

⁹ Although Polish high nobility was already co-opted by the ruling monarchies this middle and lower segments still felt connected to the former Kingdom of Poland. Furthermore, under Napoleonic invasions they were provided with new political roles under the Grand Duchy of Warsaw, which was not brought to an end in the Congress of Vienna (Breuilly, 1982, p. 116).

suppress the revolutions in Belgium and France, rebels started an armed insurrection in the Russian territories of Poland and managed to establish a Provisional Government (Tilly, 1993, p. 210).

Yet soon the revolutionary regime collapsed and the Russian Tsar restored order. "In the[se] circumstances neither Louis Philippe or France nor the British government did anything more than to expostulate with the Tsar concerning 'atrocities' of the Russian army" (Hayes, 1959, pp. 660-661). It was the emerging socialist movement in Europe which started to explicitly defend the Polish cause in the following years. Although it failed in the end, the Polish uprising of 1830 protected the Belgian uprising from being suppressed and helped other organizations in Europe realize that state-seeking nationalist movements could be successful. As a consequence, from 1830 on, there was an increase in the number of secret organizations which were "explicitly" nationalist in nature. Giuseppe Mazzini was a key figure or an inspiration in the establishment of the organizations known as Young Italy, Young Poland or Young Switzerland in the 1830s (Hobsbawm E. , 1996, p. 132).

If Polish and Belgium uprising was linked to the 1830 French Revolution, state-seeking movements in the late 1840s were part of a larger revolutionary wave in Europe as well. As we underlined above, since 1830s, there was a substantial increase in the number of political groups, parties, and secret societies that were pressing for the establishment or expansion of the boundaries of bourgeois democracy. But the 1848 revolutions were not only composed of these bourgeois-democratic movements. Labor movements were an essential part of these revolutions. In these years, a long list of working class organizations and socialist parties emerged as powerful opposition forces

in Europe. Recession in the economy, massive unemployment and increasing food shortages that erupted because of the 1848 over-accumulation crisis helped the message of these organizations be received by more people. Before the outbreak of the revolution, while communists all around Europe were gathering together under a political party to be ready for the upcoming revolution (Marx & Engels, [1848] 1978), Tocqueville was warning his fellow deputies:

It is said that because at present there is no disturbance on the surface of society, revolution is far off. Gentlemen! Allow me to tell you that I believe you are deceiving yourselves. [...] I believe at the present moment we are sleeping on a volcano (Stone & Mennell, 1980).

Although some of the state-seeking movements (such as the Palermo uprising in Sicily) took place earlier, the real trigger that led to the upsurge of state-seeking movements was the success of - again - the French Revolution of 1848. After a number of failed attempts in the preceding decade, a coalition of anarchist, socialist and bourgeois-democratic movements managed to overthrow Louis Philippe who had come to power after the 1830 Revolution. Similar to the events of 1830, "news from Paris had an electrifying effect beyond France [...] In four weeks the political situation in France, Germany, Italy and the Habsburg Empire was transformed" (Breuilly, 2000, pp. 100-112)

State-seeking nationalist movements of this era were mostly confined to Central and Eastern Europe. The territories of the Habsburg Empire were a main source of contention. Magyars, Czechs, Slovaks, Germans, Ruthenians, Poles, Croats, Illyrians and South Slavs put forward demands for independence or further autonomy. Some of these nations - such as the Poles and Magyars - had their own independent kingdom until very recently. But other nations - including Slavs or Rumenians - had long been living within the territories of other kingdoms (Breuilly, 2000, pp. 118-119; Breuilly, 1982, p.

135; Merriman, 1996, p. 727). Because the territories claimed by these movements were mostly overlapping, their state-seeking demands were often antagonistic to each other (Breuilly, 1982, p. 136). As Kohn put it "the liberation of Magyars", for instance, "meant the 'oppression' of the non-Magyar peoples within what the Magyars regarded as the historic frontiers of the medieval kingdom" (Kohn H. , 1955, p. 49). Thus in the course of their struggle for national liberation, they started fighting against each other as well. "The 'springtime of peoples' was soon replaced by the 'nightmare of nations'" (Breuilly, 2000, p. 120). As Engels realized, there was a clear pattern in this struggle:

The combatants divided into two large camps: the Germans, Poles and Magyars took the side of revolution; the remainder, all the Slavs, except for the Poles, the Rumanians and Transylvanian Saxons, took the side of counter-revolution. How did this division of the nations come about, what was its basis? The division is in accordance with all the previous history of the nationalities in question. It is the beginning of the decision on the life or death of all these nations, large and small. All the earlier history of Austria up to the present day is proof of this and 1848 confirmed it. Among all the large and small nations of Austria, only three standard-bearers of progress took an active part in history, and still retain their vitality — the Germans, the Poles and the Magyars. Hence they are now revolutionary. All the other large and small nationalities and peoples are destined to perish before long in the revolutionary world storm. For that reason they are now counter-revolutionary (Engels F. , [1849] 1977, p. 227).

If we leave aside Engels' language - which despised the political positions of small/non-historic nations in the 1848 revolutions - we can see that the pattern described by Engels was not a new one. In many ways, this was similar to a pattern we observed in the territories of the Spanish-Habsburg Empire in the late 16th and mid 17th century. This time the class position of each group was different. A liberal coalition of bourgeoisie and liberal magnates played the role of medieval aristocracies, which had their "historic kingdoms" instead of medieval parliaments. Similar to the aristocratic classes of the 17th century, this coalition was also a strong one. In most cases they had "capital" and in some cases - such as the Magyars - they occupied "a privileged position". The "non-

historic nations", on the contrary, were often movements based on the demands of the peasantry. Similar to the popular classes who sided with their kings against the aristocracy in the 16th and 17th centuries, these small nations sided with their emperor who made promises of autonomy in exchange. Hence, in the absence of strong inter-state warfare, the emperor - again - was able to play one state-seeking group off against the other quite easily.

In 1848-49, some of the state-seeking movements in the territories of the Habsburg Empire triggered a number of state-seeking movements in the Italian peninsula. People in Lombardy-Venetia, for instance, also took up arms against the Austrian Empire, to which they had been subordinate since the Congress of Vienna. In 1848 the King of Sardinia, Charles Albert, started a war against the Austrians and soon the Republic of St. Mark at Venice was established and survived for 17 months. In Rome nationalists proclaimed a Roman Republic. But all of these attempts were defeated by 1849. The only Italian state where a return to the *ancien regime* did not occur was Sardinia (Kohn H. , 1955, pp. 56-57; Minahan, 2002, p. 715).

Unificationist Movements, Hegemonic Crisis and Financial Expansion of the Long Nineteenth Century

Something changed in the macro-economic political atmosphere of the British systemic cycle around 1860s. Although almost all 1848-9 revolutions failed, nationalist movements in Italy in the 1860s and Germany in the early 1870s turned out to be extremely successful in creating new territorially unified states. If we also add the success story of the "Northern states" (of the United States) which managed to counter its

secessionist movements of the "South" in the 1860s and created another unified "nation-state", we will see three successful unificationist movements in the 1860-70 period. In many ways these three nationalist movements were very similar to each other: they created new territorially and financially powerful actors which were ready to challenge the British political-economic superiority. Hence, these three "unificationist" movements had a huge impact in the transformations that occurred in the post-1870 political-economic atmosphere of the British systemic cycle of accumulation. These transformations, in return, affected the trajectory of state-seeking movements of late 19th century.

Three Successful Unificationist Movements of the 19th Century

Although Mazzini's organizations were successful in propagating the nationalist ideals in the Italian peninsula in the 1848 movements, Italian unification was not the outcome of the activities by these state-seeking "nationalist" organizations. Nor was it achieved because of Garibaldi's activities. For the most part Italian unification was created through the expansion of Piedmont-Sardinia across the Italian peninsula in the 1860s (Merriman, 1996, pp. 753-754; Clark, 1998; Breuilly, 1982, pp. 96-97). This military-expansion process was a difficult one and it would not have been possible without substantial financial resources. According to Fernand Braudel and Giovanni Arrighi, the necessary resources were provided to the *Risorgimento* by Genoese bankers who were looking for a new investment area in the second half of the 19th century. This was the same Genoese finance that had been in decline since the mid 17th century. "To be sure," Arrighi wrote:

Genoese rule over the European high finance eventually withered away and then ceased altogether [after mid 17th century]. But the fruits of that rule remained intact, and more than two centuries later found a new field of investment in the political and economic unification of Italy, of which Genoese finance capital was one of the main sponsors and main beneficiaries (Arrighi, 2010, p. 128).

Fernand Braudel also observed that in the 19th century,

Genoa re-emerged once again as the most thriving economic centre of the peninsula. In the age of steamships and the *Risorgimento*, she was to set up her own industry, a strong modern merchant navy, and the *Banco d'Italia* was very largely her creation. As one Italian historian has put it 'Genoa created Italian unification'; and he adds 'for her own benefit' (Braudel, 1992, p. 164).

A similar pattern was also visible in the German unification which was completed in 1871. Similar to the Italian case, German unification was affected by autocratic Prussia - especially by the attempts of King William I and Chancellor Otto von Bismarck - through diplomacy and warfare (Merriman, 1996, p. 754). Unlike Italy, however, German unification had an economic base from the beginning. With the creation of the Prussian *Zollverein* (customs union) in 1818 and its expansion into other "German" states, economic competition between and within these "German" polities was already reduced. The *Zollverein* also established an institutional base for German unification (Breuilly, 1982, p. 101). Most of the "German" territories were already linked by the *Zollverein* customs union. And this union had long bolstered the economic position of the industrializing Rhineland. In short, there was a rapidly growing region waiting to be unified. And the Prussian state had a strong army to achieve this unification. In 1871, this unification was completed, the German empire was proclaimed, and Wilhelm I became the German Emperor. As Hilferding ([1910] 1981) noted, the rapid industrialization after the establishment of the *Zollverein*, the abolition of internal tariff barriers, the rapid rise of industry and the establishment of the empire, brought a complete realignment of interests with respect to commercial policy. Under this new empire, new banks started to

dominate industry and commerce. Unlike the *Risorgimento*, German unification was not helped along by old "finance" groups. But its success created a new one.

Neither Italian unification nor German unification processes were "state-seeking nationalist movements" in a proper sense. They were state-building activities of Piedmont-Sardinia and the Prussian states. As the SSNM database illustrates, in the 1860s, the primary location of state-seeking activities was not Europe but North America. Nationalist unrest in the Southern states - especially in South Carolina, Georgia, Florida, Mississippi, Alabama, Texas and Tennessee - were major state-seeking nationalist movements in the world.

This is not surprising. After all, the First Mexican Empire and Bolivar's *Gran Colombia* were also dissolved after a process of unification. Similar to the South American experiments, between 1803 and 1854, the United States achieved a vast expansion of territory through purchase, negotiation and conquest (Bestor, 1964, pp. 10-11). In the 1860s, however, due to a conflict of interests mostly driven by the needs of industrialization, which required the abolishment of slavery in the South, a number of secessionist movements emerged. Different from their South American counterparts, however, Northern States managed to win the American Civil War (1861-1865) and to retain the South. From this perspective, we can argue that the American Civil War was also a unificationist movement driven by a particular state (or a coalition of states). American Civil War turned out to be another state-led nation-formation project like its German and Italian counterparts. It is not a coincidence that after the American Civil War, the term empire - which had hitherto dominated American political thought and the

vocabularies of Washington, Adams, Hamilton and Jefferson - was avoided and replaced by the term "nation" (Arrighi, 1978, p. 83).

No doubt this reflected a concern to take a distance from the connotations of decadence which the term was assuming in Europe. But it expressed perhaps still more the fact that a North American continental empire had already been created with the subordination of the Southern states, and that the principal objective now was to forge it into a single nation (Arrighi, 1978, p. 83).

But how was this "American unification" financed? In the section on "Primitive Accumulation" of *Das Capital*, which was written during the American Civil War, Karl Marx gives an interesting answer:

With the national debt arose an international credit system, which often conceals one of the sources of primitive accumulation in this or that people. Thus the villainies of the Venetian thieving system formed one of the secret bases of the capital-wealth of Holland to whom Venice in her decadence lent large sums of money. So also was it with Holland and England. By the beginning of the 18th century the Dutch manufactures were far outstripped. Holland had ceased to be the nation preponderant in commerce and industry. One of its main lines of business, therefore, from 1701-1776, is the lending out enormous amounts of capital, especially to its great rival England. *The same thing is going on today between England and the United States. A great deal of capital, which appears today in the United States without any certificate of birth, was yesterday, in England, the capitalized blood of children.* (Marx, 1992, pp. 706-707)

As Marx observed, during the *American Civil War* a large sum of capital was already moving from "England" to the United States. Marx's comparison of this process with the movement of capital from the Italian city-states to Holland (and from Holland to England) is also very valuable. Based on this analogy we can start discussing the similarities between the Italian, German and US unification processes, on the one hand, and the rise of state-seeking *Protestant* movements in the early sixteenth century, on the other hand.

Nationalism, Imperialism and The Crisis of the British Hegemony

Similar to sixteenth century Protestant revolts during the Genoese-Iberian systemic cycle of accumulation, the unificationist movements of Italy, Germany and the USA in the nineteenth century can also be seen as "late-comer" strategies seeking primitive accumulation, while simultaneously challenging the hegemonic position of the United Kingdom. The establishment of territorially unified financially strong states increased inter-capitalist competition and intensified competitive pressures. Hence after 1870, a general crisis, known as the "Long Depression" started. The 1873/96 crisis was:

a general crisis which shook capitalism, when it was still predominantly competitive. [...] During those two decades there was no sharp fall in investment, production or employment. If anything, these tended to fluctuate less sharply. What did fall rapidly was the level of prices, which tended to go down much more swiftly than money wages. Real wages thus tended to rise, whilst the rate of profit fell continuously (Arrighi, 1978, p. 5).

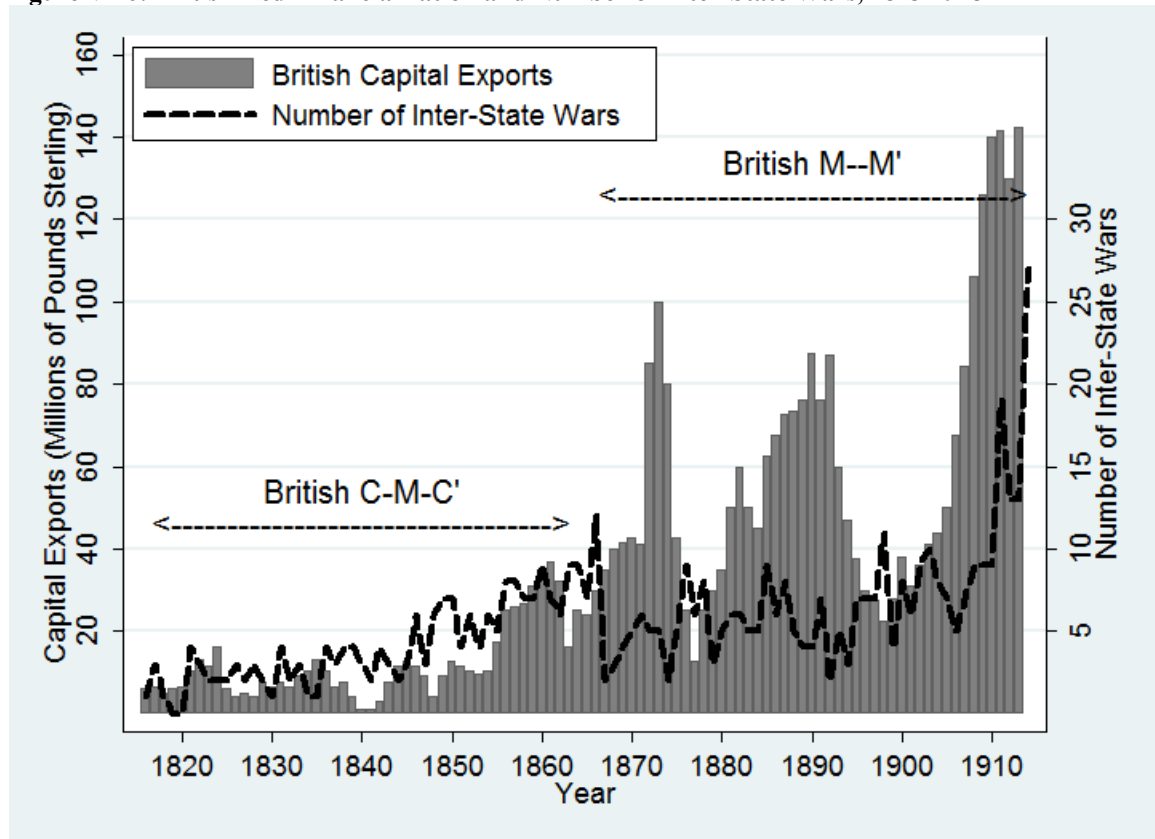
The driving force of this general crisis was the intensification of competition due to the rise of late-comer powers. In the second half of the 19th century, these "late comers" attempted to counter British free-trade imperialism by protecting their economies or trying to use free trade imperialism to their own advantage. In other words, the international order that was built on the theory of *laissez faire* economics now gave way to a period of nationalization of economies, based on protectionism (Hobsbawm, 1992, p. 17).

List's protectionist policies in Germany and Republican tariff policies in the US aimed at "catching-up" with the United Kingdom in different ways (Taylor P. , 1996, p. 34; Taylor & Flint, 2000, p. 131). The US policy sought to close its market to foreign products while opening its doors to foreign capital, labor and enterprise, and thus making

itself the main beneficiary of British free-trade imperialism. However Germany and Italy could not compete on this terrain. In the second half of the nineteenth century, both of these powers were becoming strong financial centers but they still lacked many of the advantages that the US had, such as territorial unity, continental size, insularity, and lands with rich natural resources (Arrighi, 2010, p. 62). Thus, the “late-comer” rebellion of Italy and Germany included expansionist policies. Once again, international trade turned into a zero sum game. And profit-making and war-making started to converge. Thus soon, there was a general escalation in inter-state rivalry, which started to disturb the balance of power in Europe. All of these were signs that the British hegemonic system was in crisis. This was also when British-led financial expansion started.

The 1871 Franco-Prussian War was the harbinger of the upcoming instability in Europe. The Russian state defeated the Ottomans during the 1877-1878 wars and Britain realized that there was no way to protect the integrity of the Ottoman Empire any longer. The international coalition, which had tried to preserve the integrity of the Ottoman territories, now collapsed. To protect its leadership in the world economic and political order, the United Kingdom followed a dual strategy. On the one hand, she accelerated colonial conquests in the non-Western world and started a race of imperial colonization which Hobson (1902) called the "new imperialism". On the other hand, from 1870 on she tried to preserve peace and the balance of power in the rest of Europe.

Figure VI-6: British-Led Financialization and Number of Inter-State Wars, 1813-1913



Source: British capital export figures - as crude indicators of British-led financialization - are provided from Williamson (1962) and Williamson (1964, p. 207). Total number of interstate wars figure is from Ghoshn et al (2004).

This was the peace interest of *haute finance* that Polanyi observed in Europe from 1871 to the 1890s. Polanyi's observations were related to the interests of British finance capital in stopping the expansionary and aggressive policies of rival (i.e. German) financial interests in Europe¹⁰. But this strategy only worked temporarily. Under

¹⁰ The point was initially made by Karl Polanyi ([1944] 2001) whose eyes were very sensitive to the changes in the balance of power system in the nineteenth century. For Polanyi, between 1815 and 1846 the balance of power and peace in Europe was established by the *Holy Alliance* which is composed of a "cartel of dynasts and feudalists whose patrimonial positions were threatened by the revolutionary wave of patriotism that was sweeping the continent" (Polanyi, [1944] 2001, p. 7). As we underlined above, it is true that during the hegemonic consolidation period, British statesmen engaged in a reactionary coalition with the Holy Alliance, which was composed of Russian, Austrian and Prussian monarchies. This alliance of the multinational monarchies acted as the police forces of Europe to suppress all patriotic and revolutionary movements. For them, suppression of these movements in Europe was critical to keep instability away from their own territories. Between 1846 and 1871, Polanyi continues, the power of the Holy Alliance to preserve the status quo gradually declined and thus "peace was less safely established" (Polanyi, [1944] 2001, p. 8); thus after 1871 a new group "who lacked the feudal as well as the clerical tentacles" was

declining profits out of trade and production, great "imperialist" powers of Europe started to invest more and more in war-making activities. This was - in some ways - similar to the rise of colonial conquest and expansion during Dutch-led financial expansion period. In Table VI-1 below, you can see the rise, fall and rise movement of annual rate of colonies acquired by the British Empire during Dutch-led financial-expansion, British-led material-expansion and British-led financial expansion period.

Table VI-1: Rate of British Colonial Annexations by Historical Phase

Number of Years	Phase	Years	Colonies Acquired	Annual Rate
52	Dutch-led financialization	1763-1815	39	0.79
57	Height of British-led material expansion	1815-1873	23	0.40
65	British-led financialization	1874-1939	69	1.06

Source: The figures are from Go (2011, p. 212). We changed Go's descriptions of "historical phase" according to Arrighi's (1994) distinction of periods of material expansion and financialization. See Karataşlı and Kumral (Forthcoming) for a discussion of this trend.

As profits out of trade and production diminished and as the balance of powers system in Europe was disturbed, the forces that contained state-seeking movements of the early period were gradually undermined. Hence there was a rise in the state-seeking movements in the post-1870 era.

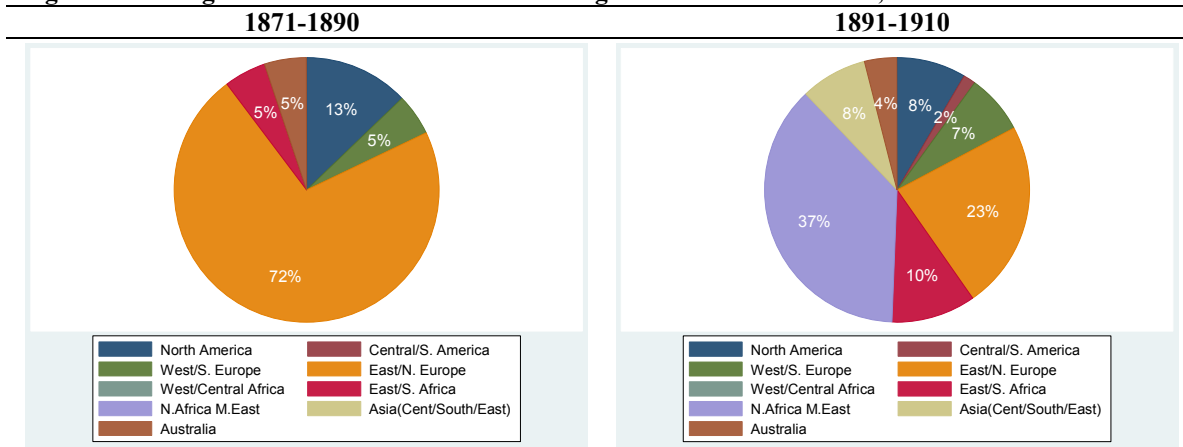
State-Seeking Movements During Financial Expansion Period, 1870-1910

During the first half of the financialization period (1870-1890), state-seeking movements were still low in frequency in most parts of the world except for Eastern Europe. 72 percent of the mentions regarding state seeking nationalist activities in the

interested in keeping the balance of power in Europe (Polanyi, 2001, pp. 7-11). Polanyi observed that this new factor was the interests of *haute finance*. Thus different from our initial formulation in Chapter II, in the British systemic cycle, Polanyi saw *haute finance* as a protector of the balance of power. During the financial expansion period, instead of an increase in inter-great-power rivalries and wars, he saw an initial decrease. But in the 1890s, Polanyi argued, *haute finance's* capacity to preserve peace and order gradually was in decline. Wars among great powers started to come back.

SSNM database belonged to Eastern Europe in this period. State seeking movements in Western Europe constituted only 5 per cent of all mentions. There were still no mentions of state-seeking activities in South America. In North America, however, the "Canadian" territories of the British Empire started to encounter the first state-seeking grievances. 13 percent of all mentions were from the remaining North American colonies of the British Empire.

Figure VI-7: Regional Distribution of State-Seeking Nationalist Movements, 1870-1890



Source: SSNM Database

Figure VI-8: Main Locations of State-Seeking Movements of the World, 1870-1890



Source: SSNM database. See Appendix B.

As Figure VI-7 and Figure VI-8 illustrate, state seeking activities in the South African and Australian colonies of the Empire also started to become visible in this period. However the real acceleration in the rate of state-seeking movements occurred in the post-1890 period.

From 1870 to 1890, Western Europe was relatively silent in terms of state-seeking movements. The most significant state-seeking activities in this period were the emergence of communes not only in Paris but also in other parts of France in 1871 after the Franco-Prussian war, the increase in the Irish "Home Rule" movement, and the rise of the Catalan nationalist movement in Spain. Among the multiple communes of France, Paris Commune of 1871, which lasted only from March 18 to May 28, was qualitatively distinct. Of course, the insurrection that led to the establishment of the Paris Commune (1871) was primarily a working-class based social revolution. But at the end, it led to the creation of another territorial unit, which was akin to other "communal" state-seeking movements in the northern Italian peninsula, Iberian peninsula and in French territories that we observed recurrently in previous systemic cycles of accumulation.

In the two decades following 1890, however, Western European state-seeking movements were not as silent as before. The Basque movement in Spain; Irish, Scottish and Welsh nationalist demands in England; Icelandic nationalism in Denmark, were strong enough to get reported on in the international press. But these events only made up the 7 percent of all mentions of state-seeking movements in this period. Between 1890 and 1910, state-seeking movements spread to almost every part of the world. In this period mentions of state-seeking activities in North Africa and in the Middle East made up 37 percent of all mentions. Nationalist unrest in Eastern Europe comprised 23 per cent

of all mentions. In the 1890-1910 period there were state-seeking nationalist movements in East and South Africa (10%), in Asia (8%), in North America (8%), Australia (4%) and even in South America (2%).

Figure VI-9: Main Locations of State-Seeking Movements of the World, 1890-1910



Source: SSNM database. See Appendix B.

These figures can explain the increase in the state-seeking movements in the world on the eve of the outbreak of World War I. But why did these movements start to increase? Below we will focus on some of the regions to explicate how changing macro-structural dynamics of the global political-economy affected the trajectory of state-seeking movements.

State-Seeking Movements in Balkans and the Dissolution of the Ottoman Empire

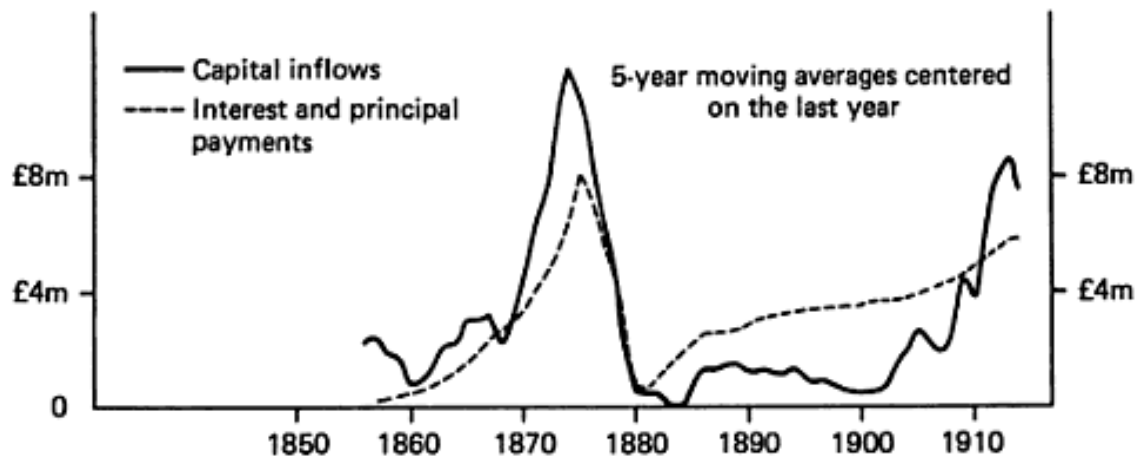
As we have mentioned, the Ottoman territories in Eastern Europe have long been a main source of state-seeking nationalist contention. But most of these movements were contained by (1) provision of different forms of political compacts and (2) European balance of power policy which protected the territorial integrity of the empire in the

course of the British hegemonic consolidation period. These two factors started to weaken in the course of the crisis of British hegemony.

When the system-wide expansion of trade and production reached its limits in the 1870s, all of these structural opportunities Ottoman elites benefited to contain nationalist movements rapidly diminished. The balance of powers among great powers was disturbed and Balkans turned into a battlefield where Russian Empire and Austrian-Hungarian Empires attempted to increase their sphere of influence. Furthermore, the changes in the British economy also affected the Ottoman Empire in significant ways. After all, since the Crimean War (1853-56), British business agencies had become the primary creditor of the Ottoman state. Despite all modernization attempts (in 1808, 1839, 1856 and 1878), however, neither the Ottoman economy nor the Ottoman military could restore its power. The Ottoman economy was not in a position to pay even the interest on these loans. In 1875 the nominal public debt of the empire was £200 million with annual interest and amortization payments of £12 million, more than half the national revenue (Lipson, 1992, p. 198; Pamuk, 1987, pp. 60-61).

Because of the financial crisis of 1873, however, new funds to the Ottoman Empire could no longer be secured (Pamuk, 1987, p. 60). In the midst of the financial crisis, Britain started to push the Ottomans to repay their debt through institutional means. The Empire defaulted on its loan repayments in 1875 and declared bankruptcy.

Figure VI-10: Fund Flows Arising From Ottoman Foreign Borrowing, 1854-1913 (in millions of British pounds sterling)



Source: Pamuk (1987, p. 60)

These developments, together with severe droughts and flooding in Anatolia between 1873-1875, further intensified the need to increase tax rates. But this meant unmaking the remaining political compacts made with the autonomous Balkan regions. After all, tax cuts were central to the Ottoman promises to these Balkan regions. These and similar contentions helped independence movements of the Balkan regions to mobilize against the Ottoman rulers. Hence, in the 1870s, the hotbed of world nationalist movements turned out to be the Balkans. Herzegovina and Bosnia revolted and movements quickly spread to Bulgaria. Nominally autonomous regions such as Serbia and Montenegro declared war against the Empire. The Russo-Turkish War on 1877-78 hit the decisive blow. After the 1877-1878 war, the British government realized that there was no way to protect the territorial integrity of the Ottoman Empire anymore and with the Treaty of Berlin (1878) these Balkan nations gained their independence.

In 1881, the creditors of the Ottoman public finance established the Ottoman Public Debt Administration with the *Decree of Muharram*, which was also given powers to collect the necessary taxes. The "sick man of Europe" were no longer to contain its

state-seeking movements any more. Although Ottoman rulers experimented alternative "state-led nation formation strategies" (e.g. using "*Islam*" as a nation-building strategy under *Abdulhamit II* in the late 1870s, or using "*Turkism*" as a nation-building strategy after the turn of the century), they could not manage to contain their state-seeking movements. Within the next thirty years, almost all Empire was completely dissolved.

State-Seeking Movements in the British Settler Colonies

The way British Empire's relationship between its colonies changed in and around 1870 also illustrates the importance of "making" and "unmaking" of social and political compacts for the rise of state-seeking movements. John Hobson's *Imperialism: A Study* provides a number of interesting points regarding how and why increasing dominance of financial interests in the midst of an "under-consumption crisis" led to a change in British foreign policy in the 1870s and how "new imperialist" politics changed Britain's relationship with its colonies. Although the British colonies were provided with "substantial freedom", "privileges" and "self-rule" before 1870s, John Hobson observed, after this period "political freedom and civil freedoms", "existing privileges" and "self-government" became virtually non-existent in the newly acquired British colonies (Hobson, 1902, pp. 119-123). Hence from the beginning new imperialism started to create nationalist uprisings. However, even in the formerly self-governing settler colonies such as in West Australia or Queensland, Hobson observes a low degree of freedom and self-government after 1870s (Hobson, 1902, p. 121). It is not a coincidence that many of these settler colonies also started to demand independence in the midst of the crisis of British hegemony.

What is more distinctive about the 1870-1890 period is the increase of "exit" strategies by the remaining settler colonies of the British Empire. In 1884 and 1889, separatist movements of Queensland of Australia; Nova Scotia and Canada in North America; and in South Africa started to accelerate. A common denominator of all of these movements were the effects of financial crisis and the economical disadvantages of the existing unions for these state-seeking communities. Nova Scotia was opposed to the Confederation of the three colonies (of Nova Scotia, New Brunswick and Province of Canada) mainly due to the worsening financial and economic relationships between the Union and Nova Scotia. An article dated 21 April 1887 informs:

The Government of Nova Scotia has adopted a policy of appealing to the country again on the secession question. [...] The resolution, moreover, reaffirms the disadvantages of the Union to Nova Scotia, and declares that until a material change takes place in the financial affairs and commercial relations between the Dominion and the Province, whereby the position of the latter may be improved, the present feeling of discontent will continue to increase and it will be again necessary to submit the question of separation from Canada to the decision of the people. (The Manchester Guardian, 1887, p. 8)

Similarly, the separatist movement in Australia was highly motivated by the existing crisis. An article, dated 11 December 1884, lets us know the rationale of the secession as well. Apparently in the midst of the great depression, separatists in Queensland start to believe that if they were independent their revenues would quadruple.

The existing depression in northern Queensland has given rise to a growing separatist movement. In the chief northern towns public meetings have been held at which the necessity for separation was strongly affirmed, the claim for it being based on the ground that the population of the north would be double and the revenue quadruple that of Queensland if the separation were effected (The Manchester Guardian, 1884, p. 8).

State-Seeking Movements against "New Imperialism"

As all these examples illustrate, the worsening of the financial crisis led many settler colonies of the British Empire to consider separating from the Empire.

Furthermore, the "new imperialism" started to create reactions. As Hobson (1902) and Arrighi (1978) emphasized, this new imperialist policy was in many ways antithetical to earlier colonialism policies. As Hobson put it, the new imperialism was "an artificial stimulation of [state-led] nationalism in peoples too foreign to be absorbed and too compact to be permanently crushed" (Hobson, 1902). In other words, it was based on the establishment of an alien rule over another group of people. This new imperialism soon created reactions by local peoples. As early as the 1880s, Egyptians in the Middle East were organizing to end British rule in Egypt. From 1890 to 1910, this race to establish alien rules did not end, but in many ways it speeded up. The threat of class conflict in the United Kingdom on the one hand, and secessionist threats of settler colonies on the other hand, led many British statesmen to call for a more aggressive imperialist strategy to protect the unity of the Empire. Lenin quotes Cecil Rhodes saying in 1895:

I was in the East End of London [a working-class quarter] yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for 'bread! bread!' and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism [...] My cherished idea is a solution for the social problem, i.e., in order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists (Lenin V. I., [1917] 1999).

Thus after 1890, reactions against the "new imperialism" intensified. A substantial portion of state-seeking movements of the post-1890 period were related to imperialist competition in a complex set of ways. As the race for imperialist colonization continued and the financial burden on the British government increased, state-seeking movements in the remaining North American settler colonies as well as those of South Africa and Australia intensified. Furthermore nationalist movements became much more widespread in imperial colonies with alien or mixed rule such as India and Egypt.

There was resistance against other imperialist powers such as Spain, the Netherlands and France as well. When state-seeking resistances overlapped with inter-imperialist rivalries, new opportunities as well as new threats emerged for nations demanding independence. For instance, in the late 19th century, Cuba and the Philippines were fighting against Spanish rule. The United States decided to intervene into the Cuban War of Independence in 1898 by attacking Spanish possessions. In the aftermath of the Spanish-American War, the Philippines gained her independence in 1898 and Cuba gained her independence in 1902. This time, however, the revolutionary government in the Philippines found itself confronting US annexation and started to struggle against US occupation.

Sometimes new international coalitions and alignments also created new sources of conflict. For instance, as the Swedish government developed closer ties to Germany, Norwegian middle classes who hitherto had close relations with the United Kingdom detached themselves from Sweden. Under German influence, the Swedish government was pushing for further protectionism but these policies hurt the Norwegian middle classes, whose lives mostly depended on foreign trade. Soon Norwegians started to demand independence from the Swedish government. Thus the personal union, which started in 1814 during the early British hegemonic consolidation period, ended in 1905 during the later phase of the hegemonic crisis.

In most cases, however, war was the mid-wife of these state-seeking movements. The Russo-Japanese War, for instance, provided an opportunity for democrats and socialists during the 1905 revolution and the structural instability provided a suitable environment for nationalists for further mobilization. Polish nationalists rose for

independence once more. And Finnish nationalists started to oppose the centralization attempts of the Russian czar, which included Russification¹¹ policies, and to demand separation. The effects of wars would be more explicit in the decade between 1910 and 1920. When the world wars started an unprecedented number of state-seeking nationalist movements arose. We will investigate this phase in the following chapter.

From 1890 to 1910, state-seeking movements also turned back to South America but this time they hit Brazil. It is not surprising that state-seeking nationalist movements in Brazil did not follow the pattern of other Latin American countries. Unlike other Latin American countries, Brazil was not - actually - a colony in the real sense of the word. During the Napoleonic Wars, the Portuguese king had moved from Lisbon to Rio de Janeiro, which reversed the colonial relationship between Portugal and Brazil. All Portuguese colonies were unified and were administered from Rio de Janeiro. Unlike other Latin American countries, this colony (Brazil) had economic, political and even cultural superiority over their metropolis (Portugal). For these reasons, Brazil was the only state in Latin America where monarchy survived and the last state in the Western world where slavery existed in the late 19th century. Especially in the 1880s, in slave-owning regions of Brazil, popular resistance and resentment was constantly growing and inspiring numerous emancipation societies. In 1888, when Pedro II abolished slavery in order to further modernization the political structure of Brazil collapsed. This abolition of slavery led to resistance by large slave owners, who overthrew the monarchy with the

¹¹ The Russification campaign was initially an effort by the Russian state to contain its nationalist movements - especially the Polish movement - by "intervening the nation-formation process" in the 1860s. In a state where Russian people only added up to 40% of the population, this emerged as a solution to the rising nationalist movements. However as this example illustrates, this policy caused further reactions by ethnic minorities and nationalities of Russia (Merriman, 1996, pp. 944-945).

help of military officers in 1889. This structural instability in Brazil unleashed a number of revolts and state-seeking movements in the 1890s. In 1891 Grão Pará declared its independence and in 1892 Mato Grosso declared its independence and established the Republic of Transatlantica. There was also talk of separation in the Bahian territories and other Brazilian provinces during the 1890-1895 period.

Transformation of Nationalism During The Long Nineteenth Century

Although nationalist movements during 1890-1910 were much higher than the previous periods, they remained very low compared to the frequency of state-seeking nationalist movements during the World Wars. We will investigate the trajectory of state-seeking movements of the 20th century in the following chapter. Before we start such an examination, we need to summarize and highlight some of the key transformations state-seeking and state-led movements went through in the long nineteenth century.

British Hegemony, Constitutional Monarchies and "Alien Rule"

Most historical explanations of the evolution of nationalism see the spread of the ideals of the "French Revolution" as the driving force of nationalist movements of the 19th century. As long as we see "republic" as a key component of the French Revolution, however, it is not possible to say that state-seeking nationalist movements of the 19th century took the French Revolution as their model. On the contrary, an overwhelming majority of state-seeking movements in 19th century aimed at or ended up establishing "constitutional monarchies", not "republics." In the nineteenth century "apart from France and Switzerland, Europe was monarchical" (Ponting, 2000, p. 747). If Dutch hegemony

was the golden age of "absolutist monarchies", British hegemony was the golden age of "constitutional monarchies".

This astonishing fact becomes more interesting when we remember that during the whole period of the Dutch systemic cycle, constitutional monarchies remained an exceptional form of rule in Europe. Except for England (the United Provinces was a republic at the time) there was not a single constitutional regime in Europe. It is curious then, why and how in the nineteenth century, these constitutional monarchies spread everywhere. This question, which has serious implications for our understanding of "political nations", cannot be properly answered without understanding the nature of British hegemony in the long 19th century.

As we underlined, the British government and business agencies became hegemonic by leading a large coalition of states against Napoleon and the threat of the French Revolution. Even the contentious coalition between the United Kingdom and the *Holy Alliance* was based on keeping republican revolutionary threats away from Europe. Thus even when the United Kingdom supported state-seeking movements, they did not support the "self-rule of a nation". "Independence" in nineteenth century Europe mostly meant to be able to choose another "king" for themselves. Thus, upon gaining independence each nation had to find a "monarch" to assert its sovereignty. But because it was not possible to find monarchs among their co-nationals, most of these nations had to "import" sovereigns from Western European royal families. If I may use Hechter's

language again, almost all independent nations of Europe had to rely on "alien rule" (Hechter, 2009; Hechter, 2013)¹².

This distinct form of "alien rule" was not independent from the dynamics of the British hegemony. The dependency on "foreign" sovereigns provided a platform through which the British could penetrate its sphere of influence to these newly established nations in the 19th century. As Benedict Anderson (2012) observes, the majority of monarchs of new nations of the nineteenth century were chosen, suggested or directly appointed by the British government. In 1815, for instance, British statesmen installed William I to the newly established Dutch throne¹³. After the Greek War of independence, a Bavarian prince - Prince Otto - was chosen as a monarch by the Convention of London in 1833. When Belgium revolted against the Kingdom of Holland and gained its independence in 1830, Leopold I was chosen as the monarch. This new king of Belgium, who was initially married to the heiress of the British throne and later married to Louis Phillip's daughter in law, was a key figure in further intensifying the British-Belgium relationship in the 1830s. It can also be observed that as the British started to lose their "hegemony", they attempted to pursue the same policy through the establishment of

¹² Of course we must underline the geographical limits of this argument: The Americas were an exception to this case. Almost all state-seeking nationalist movements in the Americas - with the exception of Brazil - ended up establishing independent republics. This "republican" interest, however, must also be interpreted within the context of existing contentions. The main factor that contributed to the emergence of republics in Latin America was the lack of existing monarchs. San Martin hitherto preferred monarchy to a republic (Ponting, 2000, p. 694). Spektorowski (2008, p. 273) explains that "having formally proclaimed Argentina's independence from Spain, the delegates [of Congress of Tucuman] appointed Juan Martin de Pueyrredon as supreme dictator, while they conducted a fruitless search for a monarch. European royal candidates and even an Incan prince were considered". But it was not possible. Since the British priority in Latin America was to prevent the Holy Alliance and Spain's intervention in the region, they did not intervene in these movements themselves. They were able to extend their sphere of influence by supporting these new nations. But we also know that when a monarch existed in these territories - as in the case of Brazil - strong monarchical regimes were easily established without many complaints.

¹³ The case of Netherlands was atypical in Europe because it never had a monarch of its own in its entire history. Since its formation in the 16th century it had been a republic.

"protectorates", especially in North Africa and the Middle East. With the monarchs appointed from London, the British could more easily decide about the political and economic policies of these nations.

This process has two important implications for the understanding the notions of "nation" and "nationalism" and their transformation in the course of the 19th century. First of all, during the British hegemonic consolidation period, the concept of "nation" did not imply an ethnic/racial unity between rulers and subjects. Under these constitutional monarchies, it was very common that the nation and its sovereign had different ethnicities. Secondly, however, when state-seeking movements erupted during the crisis of British hegemony, in many regions these movements also struggled overthrow these "alien rulers". Hence no cultural homogeneity started to become a more explicit issue during the crisis of the British hegemony. Two simultaneous changes contributed to this transformation. In the meanwhile class composition of nations started to incorporate "masses" for the first time, and the way "language" was used in "nation-formation" started to change.

The Changing Class Composition of "Nation" in the 19th Century

During British hegemony the dominant conception of "nation" did not contain working classes, peasants and masses in general. Hence "nations" of the 19th century were not a replica of the "Rousseauian" conception of nation, which emerged as an antithesis of the Hobbesian image at the end of the Dutch systemic cycle. Nations of the 19th century only incorporated middle classes (Carr, 1945, p. 8) because - as we discussed - state-seeking movements that emerged during Dutch hegemonic transition

period were mostly "middle-class" movements. Thus if one conceptualizes nationalism as a "mass movement", it would be extremely difficult for him/her to categorize most of the state-seeking movements of the 19th century as "nationalist". In his discussion of the German and Italian unificationist movements, for instance, Breuilly (1982) underlines that these movements were not inspired by nationalism. According to Breuilly, these movements had "little popular appeal" but "these severe limitations [...] up to the point of unification have been obscured by the success of unification" (Breuilly, 1982, p. 96). This is a general character of most state-seeking nationalist movements in the early phases of British hegemony, including the ones in Latin America: None of them were mass movements¹⁴.

But the class composition of nations and national movements started to change during the crisis of British hegemony, when nationalist demands merged with the grievances of working classes and peasants. An important segment of state-seeking nationalist movements were backed by the peasantry after the 1870s and they became largely successful in the late 19th and early 20th centuries. According to Hroch's calculations peasants were the predominant classes in the Danish, Lithuanian and

¹⁴ This does *not* mean that the class base of nations completely shifted from "new nobility" (which was the class-base of nations during the Dutch systemic cycle) to the "middle-classes". Aristocratic demands which were not satisfied in the earlier period survived in this period as "unfinished businesses". In the Italian peninsula and in Spain, for instance struggles to restore the ancient privileges of medieval parliaments continued throughout the nineteenth century (Marx K. , 1854). Likewise, in his fruitful analysis regarding the class composition of nationalist organizations in 19th century, Miroslav Hroch (2000) underlines that 25 per cent of the patriots in Slovak national independence movement were of noble descent (Hroch, 2000, p. 133).

Bulgarian uprisings, all of which gained a mass character (or became type C movements according to Hroch) after the 1870s (Hroch, 2000, pp. 130, 159)¹⁵.

Parallel to these developments, during the financialization period of British hegemony, the great powers of the Europe started to incorporate lower classes into the "political nations" to be able to mobilize them as well. After the French Revolution, Bonaparte had followed in the footsteps of the Revolution by making "higher education" the responsibility of the state. During the 1870s, however, primary schools were made mandatory as part of an effort to incorporate the lower classes into the nation. Likewise the armies of the great powers moved to universal male conscription. The "new imperialism" required a new form of "state-led nationalism". Chauvinism emerged as an innovation of this period which was inherently linked to imperialism (Arendt, 1968). This new form of state-led nationalism was completely different from its early forms. As Hobson (1902, pp. 11-12) observed the "older [state-led] nationalism was primarily an inclusive sentiment; its relation to the same sentiment in another people was lack of sympathy, not open hostility". But now state-led nation building policies had to accommodate imperialist tendencies which saw other nations as potential enemies.

¹⁵ Working classes were the backbone of some of the uprisings in Europe such as the Paris Commune of 1871. Categorization of this "working class" (thus social) revolution as a state-seeking (thus national) movement may sound absurd at first sight. Nevertheless it was a movement which established a state with a different territory. Furthermore the movement managed to establish itself as "the nation", in a manner parallel to Marx and Engel's well-known passage in the Manifesto: "The workers have no country. We cannot take from them what they have not got. Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is, so far, itself national, though not in the bourgeois sense of the word" (Marx & Engels, [1848] 1978).

From Languages of States to Languages of People

Parallel to these changes, the cultural form of nations also transformed once again. In the early 19th century, states used "linguistic unification" to create nations for themselves. At the end of the century, "linguistically homogeneous" communities started to demand a state for themselves. These two processes were not unrelated.

In the first half of the long nineteenth century it was states which established nations not *vice versa*. During the French Revolution less than 13 percent of the people of France spoke French accurately (Hobsbawm E. J., 1992). Linguistic assimilation was imposed upon the "French" population only after the French Revolution. The founder of the secret society of the Greek Independence, *Hetaeria Philike*, was Rhigas Pheraios. "By birth a Vlach, hence a native of Rumania, he dreamed [...] not merely a liberated Greece but of a multinational Balkan federation of autonomous Christian states, like a miniature Byzantine Empire, whose official language and church would be Greek and for which, so he imagined, Serbs, Bulgarians, Albanians, and Rumanians would readily draw sword in Christian unity of Greek freedom" (Kinross, 1977, p. 442). When they gained their independence in 1830, the people of Belgium did not speak a single language either. Actually they were linguistically a highly divided society. In the 1860s, at the time of the *Risorgimento* only 2% of the population spoke Italian (Hobsbawm E. J., 1992, p. 38; Merriman, 1996, p. 764). That's why Massimo d'Azeglio had to say: "We have made Italy, now we have to make Italians". Likewise, throughout the nineteenth century the Polish struggle for national independence was not the independence movement of the Polish speaking population, either. It was a struggle to establish a state in the territories of the Kingdom of Poland. As these examples illustrate, during the hegemonic

consolidation period, language was not an indicator of "national identity". It was a tool used by states to coordinate their populations.

But in the second half of the long nineteenth century these relationship changed. Similar to the Iberian-Genoese systemic cycle where *cuius regio eius religio* ("whose realm his religion") principle created a reaction in the form of religious state-seeking movements; and similar to the Dutch systemic cycle where absolutist rule created an antithetical reaction in the form of nationalist movements demanding representation; linguistic homogenization processes that became a part of nation-formation processes in the 19th century created an analogous reaction in the form of state-seeking movements of linguistic communities. State-seeking movements that took place in Europe after the 1860s were organized around linguistic ties. This was a novelty. In the 1870s, language started to be seen as the only indicator of nationalism (Hobsbawm E. J., 1992, pp. 98-99). In 1913, common language was a component of the Bolsheviks' definition of nation. In Stalin's definition, nation was a "historically constituted, stable community of people, formed on the basis of *common language*, territory, economic life, and psychological make-up manifested in a common culture" (Stalin, [1913] 1994, p. 18). And in 1925, the Dictionary of the Spanish Academy - for the first time - started to define "nation" in relation its linguistic properties (Hobsbawm, 1992, p. 15). Once this change took place, the link between native language and ethnicity, hence ethnicity and nation was also established. It was this ethno-linguistic definition of nation which became the dominant conception of nationalism in the long twentieth century.

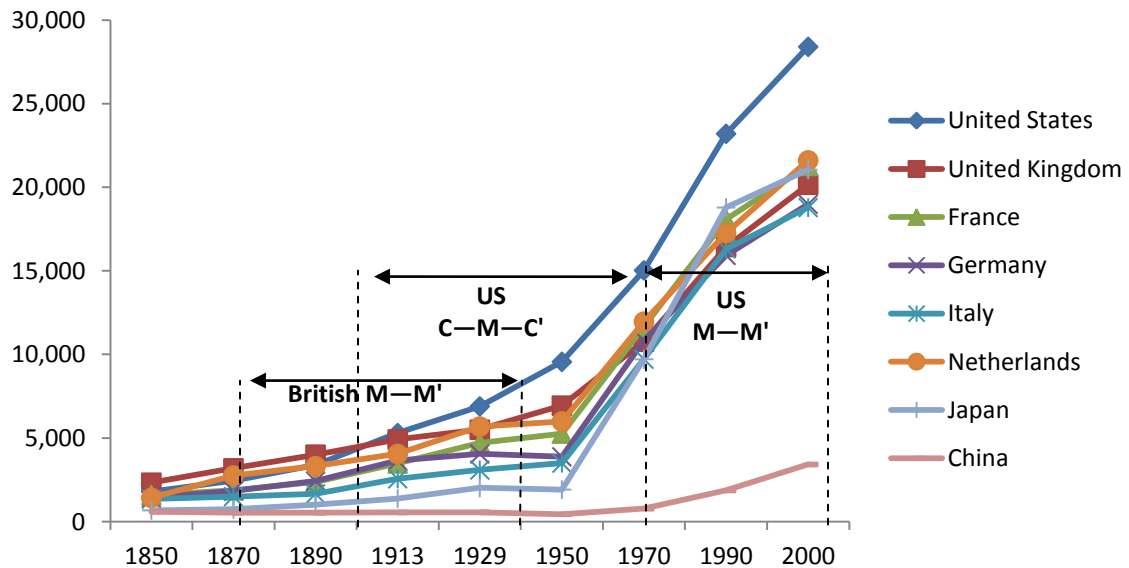
VII. NATIONS AND NATIONALISM DURING THE US HEGEMONY

The "Hundred Years' Peace" ended in 1914 and wars among the Great Powers came back with a vengeance. World War I (1914-1918) was *not* simply another episode of an inter-state war in world history. In terms of scale, it was unprecedented. In the Thirty Years' War (1618-1648) 2,171,000 soldiers had died. In the Revolutionary and Napoleonic Wars this number increased by 16 percent and total number of deaths rose to 2,532,000. In World War I more than 10 million died (Taylor P. , 1996, p. 27). In this long-lasting war, 65 million soldiers were mobilized; approximately 6,000 people lost their lives every day (Merriman, 1996, p. 1082). World War I was a "total war" (Carr, 1945, p. 26). Unfortunately the chaos of the transition did not end with this catastrophe. Another 22 million soldiers died during the World War II (1939-1945). These figures do not include the death of over 50 million civilians, who, for the first time in history, became strategic targets in wars (Merriman, 1996, p. 1239).

In one way, however, the world wars of the 20th century were similar to the earlier ones. They changed the power relations among the great powers and transformed the world hegemonic order once more. One of the late-comers of the 19th century, who also was main recipient of British financial flows during British-led financial expansion, became the new hegemonic power and started a new systemic cycle of accumulation. The history of the long twentieth century is the history of the rise and the fall of US hegemony.

In these two chapters (Chapter VII and Chapter VIII), we will investigate the trajectory of state-seeking movements in the course of US hegemony, with a specific emphasis on the condition of state-seeking nationalist movements in the last two decades. We already presented a general picture of these nationalist movements in the 20th century in Chapter I where we discussed the "inverse-U" theories. We will use this early presentation as an opportunity to focus more on the state-seeking movements in the last two decades. Yet, to understand these last two decades, we still need to account for the trajectory of nationalism in the 20th century in light of our conceptual/theoretical frame. We will pursue this analysis in three steps. First we will investigate the period of transition to the US hegemony, second we will focus on the US hegemonic consolidation period and finally - in Chapter VIII- we will examine the period of US hegemonic crisis.

Figure VII-1: GDP per Capita of Selected World Powers, 1850-2000 (1990 International Geary-Khamis dollars)



Source: Maddison Tables, see Maddison (1996)

It is difficult to provide exact dates for these periods. As Figure VII-1 illustrates, GDP per capita of the United States was rapidly increasing since 1870s and it had already

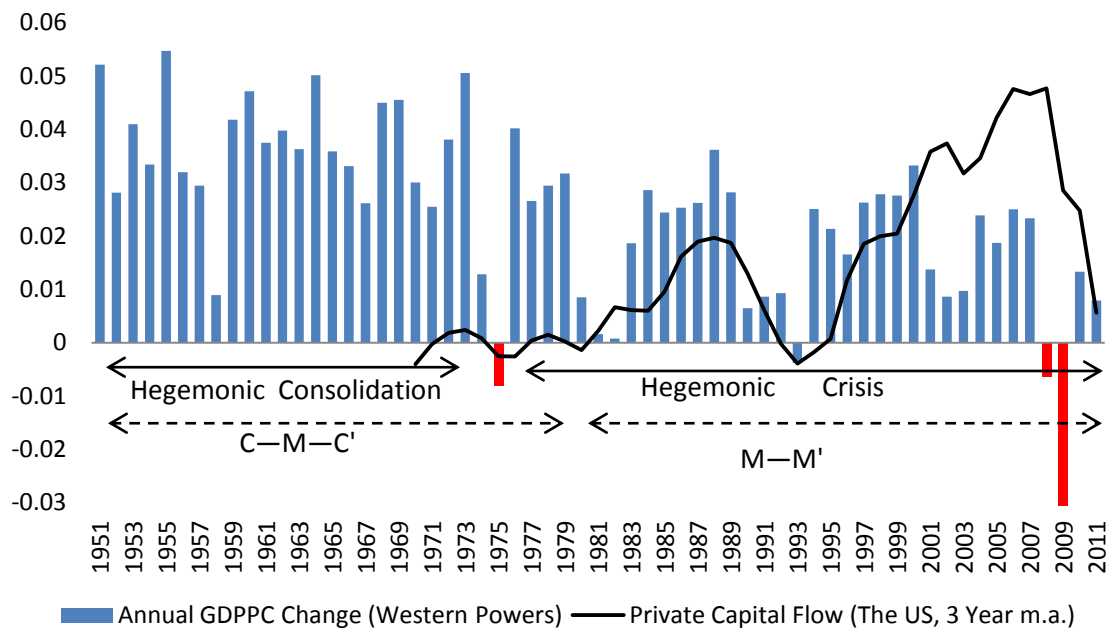
surpassed the United Kingdom in terms of economic power in the early 20th century. However, like her predecessors, the US became the hegemonic power only when she managed to lead a large coalition of powers toward the establishment of a new world order following the disastrous wars of the transition period. Although these efforts were visible as early as 1917, the United States rose to political preeminence only after the end of the Second World War. Thus we can use 1945 as the date when the transition ends and US hegemony begins.

Finding an exact date for the beginning of the hegemonic crisis and financial expansion period is more difficult. If we use the average annual GDP growth rate of the Western powers as an indicator of the economic strength of US hegemony, we see a gradual decline starting with the 1970s. As Figure VII-2 illustrates, since the 1970s there has not only been a decline in the overall growth rate, but also a number of crises. Among the major crises that affected main great powers were the 1973 OPEC crisis, the debt crisis of the 1980s, the European currency crisis of the early 1990s and finally the 2007-2008 financial meltdown.

If we use level of private capital flow of the United States as a crude indicator of US-led financial expansion, we can see that the US financial expansion started only in the late 1970s (see Figure VII-2). This is not surprising. After all the US financial expansion emerged as a solution to the problems that emerged as the material expansion reached its limits. This solution involved a radical transformation in the political-economy of the capitalist world system. This transformation included an ideological shift from "Keynesian" to "neo-classical" models. Philip McMichael (2012) called this transformation a change from the "Development Project" (late 1940s to early 1970s) to

the "Globalization Project" (1980s to 2000s). David Harvey (1990) formulated it as a change from "Fordist mode of accumulation" to "flexible accumulation" in the 1970s. Keeping these transformations in mind we will use the 1973/1980 period as the period of transition, underlining that the crises started in the early 1970s and the financial expansion period started in the late 1970s. For convenience, in the figures and maps we will use 1980 as a turning point.

Figure VII-2: Economic Growth Rates of Selected Countries and US Financial Expansion



Source: Annual Growth Rate of Western Powers¹ is calculated from Maddison (1996). Private Capital flow as a percentage of the GDP is used as a crude indicator of financialization. Net FDI Flow data is from World Bank.

In our analysis of state-seeking movements in Chapter VIII, we will also divide the post-1980 period into two phases: before and after the collapse of the USSR. This

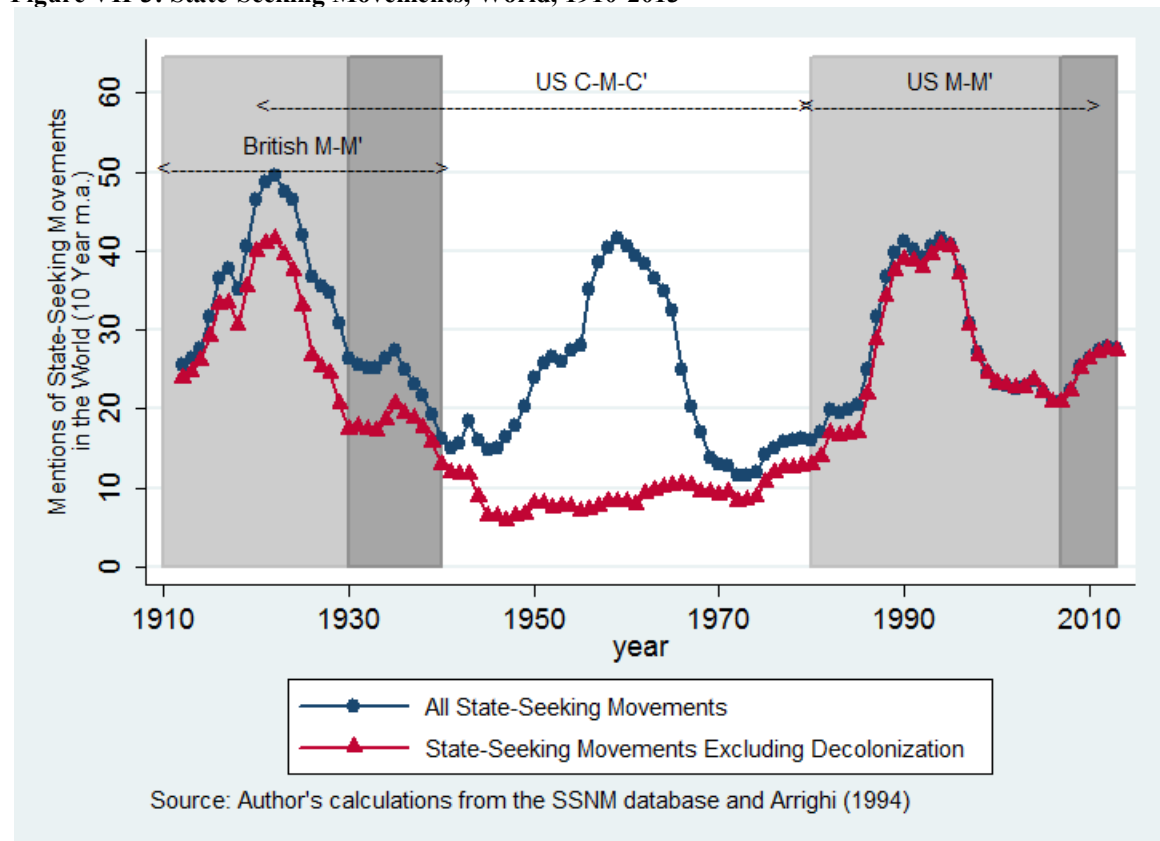
¹ Selected countries include Maddison's "Western Europe" and "Western Offshoots" countries. These countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States. Maddison measures GDP per capita in constant 1990 International Geary-Khamis dollars. For periods after 2004, we used GDP per capita constant 2000 US dollars figures from World Bank. Financialization figure is "US Private capital flows, total (% of GDP)" indicator from World Bank. Figure includes private capital flows consist of net foreign direct investment and portfolio and the US has valid figures for only post-1970 period.

distinction is important for two reasons. First of all, the USSR had a very critical role in shaping the political-economic structure of the US hegemony. Hence, the collapse of the USSR had significant consequences in almost every field, including the changes in the historical trajectory of state-seeking movements of the long twentieth century. Second, although the dissolution of the USSR is a critical factor in the re-emergence of nationalist movements in the post-1990 period, the intensification of state-seeking nationalist movements in the last decades *cannot* be reduced to the emergence of dozens of states in Eastern Europe and Central Asia after the collapse of the USSR. The ways in which the collapse of the USSR accelerated the demise of US hegemony are far more important for our thesis. To be able to distinguish the *direct* and *indirect* effects of this process, we will examine state-seeking movements during the US hegemonic crisis in two subsections: before and after the collapse of the USSR.

The Overall Trajectory of Nationalist Movements in the Long Twentieth Century

The trajectory of state-seeking movements during the US systemic cycle of accumulation - which is not over yet - illustrates interesting similarities as well as differences with previous systemic cycles. The major difference, as shown in Figure VII-3, is that during the US systemic cycle of accumulation, there are three major waves of state-seeking movements. The first wave - which started during the late 19th century with the British-led financialization - reached its peak with World War I. The second wave - which started right after World War II and came to a peak in the 1960s - took place in an era of US-led material expansion of trade and production. And the third wave belongs to the post-1980 period, in other words the US-led financial expansion.

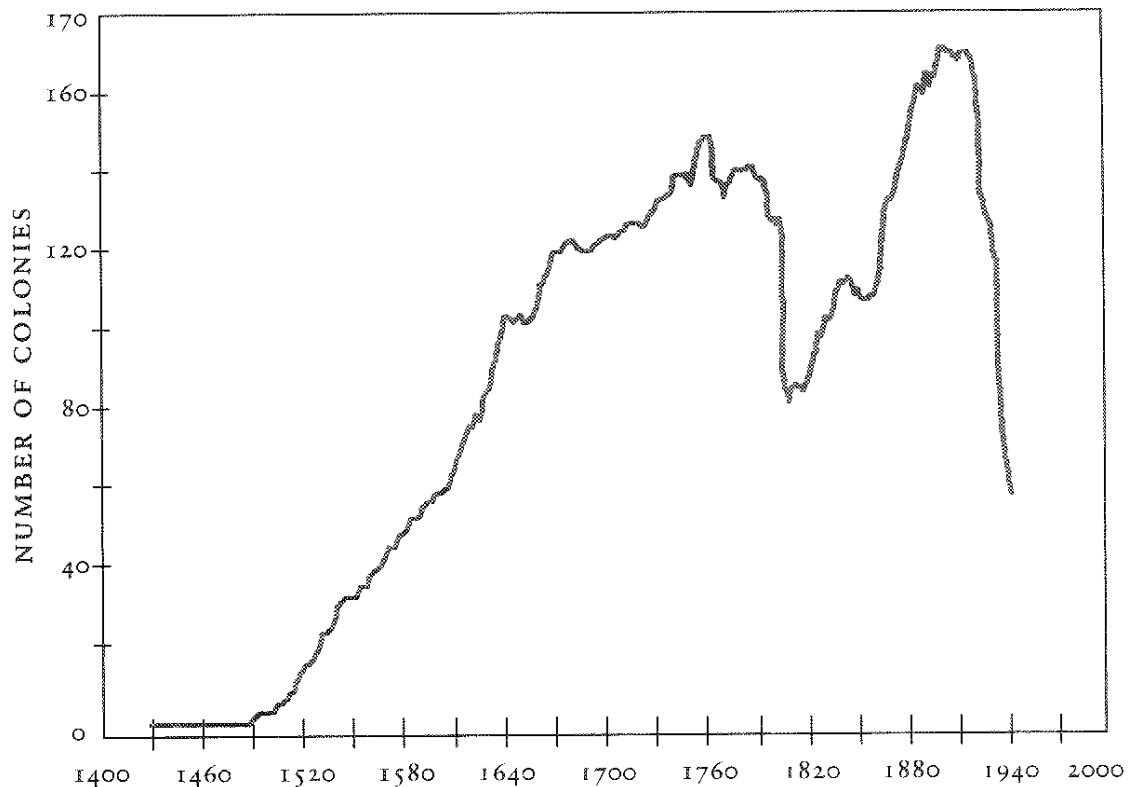
Figure VII-3: State-Seeking Movements, World, 1910-2013



Source: SSNM Database.

In short, although the first and third wave of state seeking movements overlap with financial expansion and crisis periods of the British and the US hegemony, respectively, the second wave of state-seeking movements took place in an era of material expansion of trade and production and hegemonic consolidation. As visible in Figure VII-3 above, this 1945-1970 wave is mainly due to the decolonization movements and incorporation of Asian and African imperial colonies into the inter-state system. Hence it is - to some extent - analogous to the incorporation of the settler colonies of Latin America into the modern-world system during the British hegemonic consolidation/material expansion period.

Figure VII-4: Waves of Colonization and Decolonization, 1415-1969



Source: From "Long Waves of Colonial Expansion and Contraction, 1415-1969" by Albert Bergesen and Ronald Schoenberg (1980), who used the data provided by Henige (1970).

As Figure VII-4 also illustrates, in the long history of the historical capitalism there were two major waves of decolonization. The first major wave took place during the transition to the British hegemony and the second wave occurred during the US hegemony. During the US hegemony, however, the scale of decolonization was much greater than the previous long century. The gigantic scale of decolonization has partly to do with the unprecedented pace and scale of imperialist race for colonization of the post-1870 period, partly to do with the massive debts of the imperialist great powers -first and foremost the British Empire - which made it almost impossible to contain their colonies and finally with the attempts of the US to counter the threat posed by Soviet Union. In the course of the US hegemony, both the US and the USSR supported national liberation movements of the colonies in order to penetrate their sphere of influence into these non-

Western peripheral zones of the capitalist world economy. As a consequence, from 1945 to 1975, in an age of material expansion of trade and production, the world experienced the greatest wave of decolonization in its entire history.

If we exclude these movements of decolonization, which occurred in peripheral regions of the capitalist world economy which did not share the benefits of the material expansion in any meaningful way, the relationship between state-seeking movements and material/financial expansion periods of historical capitalism during the US systemic cycle becomes more apparent. Figure VII-3 illustrates a rise-decline-rise trend for state-seeking nationalist movements in non-colonial regions from one era of financial expansion to another, as expected from our provisional conceptual frame. State-seeking movements in non-colonial locations decrease significantly after the 1940s and stayed low until the crisis of the US hegemony. These movements, however, started to increase in the contemporary era of financialization and hegemonic crisis. In our discussion of the trajectory of state-seeking movements in the course of the long twentieth century, we will explicate the macro-structural dynamics that contributed to the emergence of this patterning across space and time.

Transition to US Hegemony: The Climax of Nationalist Movements, 1914-1945

State-seeking movements during the transition from the Genoese-Iberian to the Dutch systemic cycle (1555-1640) and the transition from the Dutch to British systemic cycle (1760-1810) were at the maximum point of their respective systemic cycle of accumulation. From mid-16th to mid-17th century state-seeking movements were more concentrated in the European continent. In the late 18th century, the settler colonies of the

Americas were the primary locations. As Figure VII-5 shows, during the transition from the British to US systemic cycle, state-seeking movements came back to Europe once again. This time it was difficult to find a European state which was immune to these movements.

Figure VII-5: Main Locations of State-Seeking Nationalist Movements of the World, 1910-1945



Source: SSNM database. See Appendix B.

Although 50 percent of the movements belonged to Eastern and Western European countries, state-seeking activities were "almost" a global affair in the 1914-45 period. The Qing dynasty in China dissolved before the outbreak of the war due to the 1911 Revolution and new political entities in Tibet, Mongolia and Xinjiang regions emerged. After the World War I, the Austria-Hungarian, Ottoman and Russian Empires collapsed, colonies in North America, South Africa, South/South-East Asia and Australia demanded secession, and many of them became members of the League of Nations. According to the SSNM database 29 percent of the mentions of state-seeking activities belonged to Western/Southern Europe, 23 percent belonged to North-Africa and the Middle East, 21 percent belonged to Eastern/Northern Europe and 13 percent belonged to

South/South-East Asia. Besides these locations, there were state-seeking demands in East and South Africa (5 percent) and in East Asia (4 percent) as well.

Soviet Republics as A New National Form

Similar to the emergence of the "French (Jacobin) Revolution" as an ideology that challenged the existing notions of sovereignty during the chaos of the former transition period, this transition saw the challenge of the "Russian (Bolshevik) Revolution". Compared to the French Revolution, however, the October Revolution had a far more direct impact on the state-seeking movements.

The Bolsheviks managed to incorporate the idea of national-liberation into their revolutionary strategy. As we discussed at the end of Chapter VI, objective conditions for this strategy emerged in the late 19th century. As we discussed in the previous chapter, since the 1870s the class composition of "nation" started to change in two interrelated directions: (1) Lower classes - especially the peasantry who were not yet linguistically assimilated - started to play a significant role in state-seeking movements. (2) Because of the intensification of inter-state rivalries, state-led nationalism started to mobilize the working class and peasantry as fundamental parts of the ruling nation for the interests of the ruling classes. The Bolsheviks managed to turn these two forces to their own advantage. They believed that communists must lead workers and peasants in a two-fold struggle related to nationalism: to combat growing (state-led) nationalism and chauvinism on the one hand; and to recognize and struggle for the right of nations to self-determination (state-seeking nationalism) on the other (Lenin V. I., [1914] 1970; Lenin V. I., [1917] 1999; Lenin V. I., [1919] 1972). For Lenin, objective conditions of this struggle were already created by imperialism.

The imperialist war [...] contributed to the growth of the revolutionary movement, because the European imperialists had to enlist whole colonial regiments in their struggle. The imperialist war aroused the East and also drew its peoples into international politics. Britain and France armed colonial peoples and helped them familiarize themselves with the military technique and up-to-date machines. That knowledge they will use against the imperialist gentry. The period of the awakening of the East in the contemporary revolution is being succeeded by a period in which all the Eastern peoples will participate in deciding the destiny of the whole world, so as not to be simply objects of the enrichment of others. The peoples of the East are becoming alive to the need for practical action, for every nation to take part in shaping the destiny of all mankind. (Lenin V. I., [1919] 1972, p. 305)

Success of the communist revolution in Russia was also due to this strategy which managed to mobilize national independence movements. After the success of the revolution, a new form of state, known as the "Soviet Republic", emerged. Ideally, these Soviet Republics recognized the right to self-determination of all nations in their territories and they were expected to voluntarily unite with other Soviet Republics. From 1918 to 1922, about 20 new soviet republics emerged in the region and they joined the USSR. Finland and Poland gained their independence but rejected to join the socialist federation.

The Bolsheviks saw the liberation of oppressed colonial peoples as an important asset for world revolution as well (Hobsbawm, 1992, p. 148). In 1920 they organized the East People's Congress in Baku where not only Russian, Persian or Turkish or Chinese but also Indian, Korean, Chechen, Tadzhiks, Kirghiz, Ossetians, Hazara, Kurdish, Kalmuch, Bashkir, Abkhazian and Lettian delegates attended (Blunden, 1977 [2013]). The right of nations to self determination was a main theme of the Congress and this soon became a principle of "the (Third) International". The Third International's strategy of world revolution included recognizing the right to self determination of nations, which was in direct opposition with the French Revolution's strategy of "revolutionary

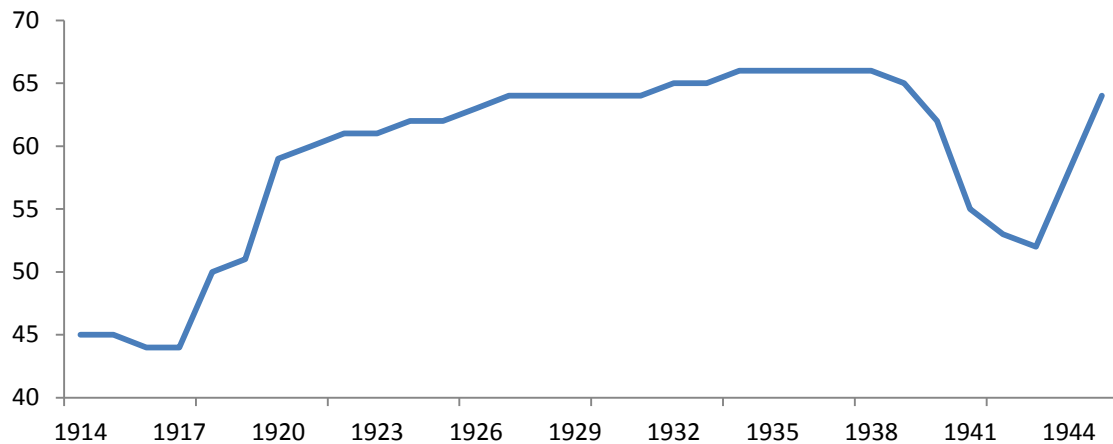
conquest"². This communist strategy, which showed its initial results during the October Revolution, became an important factor which shaped the trajectory of state-seeking movements in the 20th century. From 1917 onwards "national liberation" and "socialism" started to converge: most movements of national liberation started to declare themselves as "socialist" and "national liberation" turned out to be a slogan of the left (Hobsbawm, 1992, pp. 149-150).

Wilsonian Principle of Self-Determination and the Rise of the Republican Form

The rise of state-seeking movements during the transition to US hegemony was not, however, due to the *direct* effect of the October Revolution. It was due to its *indirect* effect. The danger of the Bolshevik threat was already visible by 1918 and containment of this threat was an integral part of the United States' attempt to gain the intellectual and moral leadership of the new world. Wilson's principle of self-determination was a card that the Allies played against the Bolshevik card (Hobsbawm, 1992, p. 131). Wilson promised to give oppressed nationalities - currently living under the Ottoman, Austria-Hungarian and Russian empires - independence and security. And it was this principle which dominated the peace negotiations after World War I. After these treaties, the number of states in Europe rose to twenty-seven, and the number of states in the world rose to sixty-five. Between 1914 and 1945, thirty three new states joined the modern interstate system.

² In a way the upsurge of state-seeking activities in rest of Europe in the post-Napoleonic period was mostly due to the collapse of this project. In contrast to this, in the case of the Bolshevik Revolution, this was upsurge was a result of a conscious and successful strategy.

Figure VII-6: Total Number of States in the Inter-State System, 1914-1945



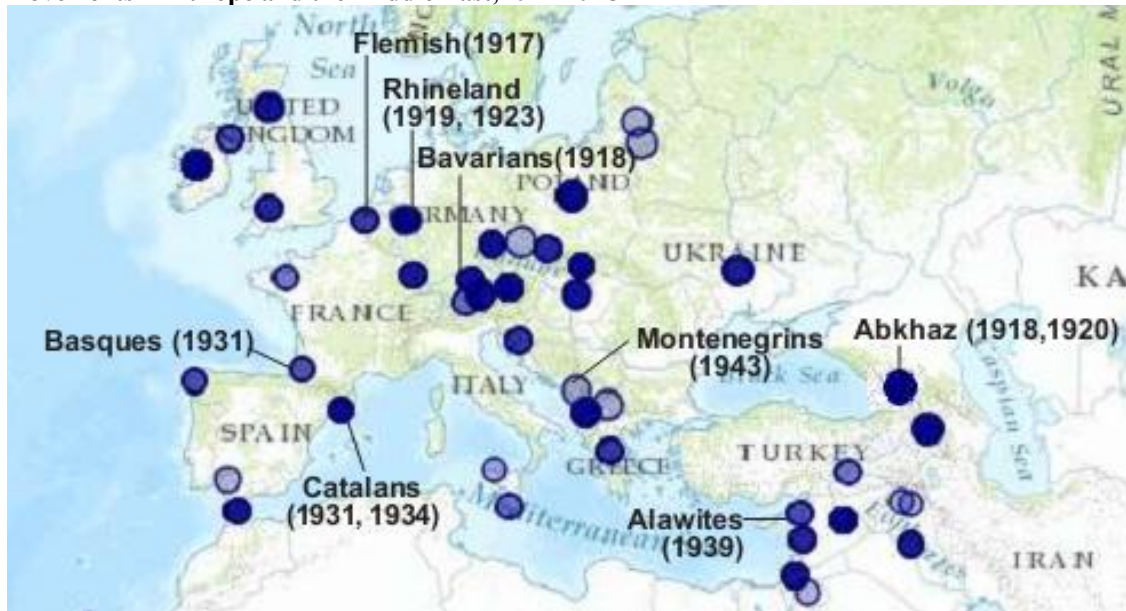
Source: Author's calculations from Gleditsch and Ward (1999)

Unlike the age of British hegemony, however, this time an overwhelming majority of these new states were not "constitutional monarchies" but "republics". If concern with containing the threat of the French ("Republican") Revolution pushed the United Kingdom to establish constitutional monarchies elsewhere, to contain the threat of the Russian ("Soviet") Revolution the USA became the primary engine of the world-wide spread of "republicanism". In both cases, the rising hegemonic power offered itself as a "political model" to the new nations. This emulation of the national form also contributed to their rise to global preeminence.

Between 1914 and 1945, not all nations which demanded independent statehood achieved their independence. In this time period, besides those who became members of the League of Nations, 45 other nations declared their independence and proclaimed states for themselves but they were not recognized (Minahan, 2002, pp. 2121-2125). In Europe and the Middle East, for instance, the Republic of Flanders (1917), the Republic of Abkhazia (1918 and 1920), the Rhineland Republic (1919 and 1923), the Democratic and Socialist Republic of Bavaria (1918), the Euzkadi Republic (1931), the Catalan

Republic (1931 and 1934), the Alawite Republic of Latakia (1939) and the Kingdom of Montenegro (1941) declared their independence but they were not recognized³.

Figure VII-7: Unrecognized Declarations of Independence Among State-Seeking National Movements in Europe and the Middle East, 1914-1945



Source: SSNM Database. Unrecognized Declarations of Independence is from Minahan (2002)

The Wilsonian principle of self-determination was extremely pragmatic. It only addressed problems within the territories of the Austrian-Hungarian, Prussian and the Ottoman Empires. Beyond these empires, there was no mention of any other national problems⁴. Independence of Rhineland, for instance, was opposed first and foremost by Woodrow Wilson himself (Graebner & Bennett, 2011, p. 46; Minahan, 2002, p. 1584). Point Eight in Wilson's *Fourteen Points* declared that "the wrong done by Prussia in the

³ If we go beyond the list provided by Minahan, we can also count Finnish Socialist Workers' Republic (1918), Slovak Soviet Republic (1919), Serbian-Hungarian Baranya-Baja Republic (1921) which were set up by the communist revolutions but were suppressed; Idel-Ural State (1917-1918), Belarusian People's Republic (1918), Hutsul Republic (1919) and Ukrainian People's Republic (1917-1920) which were set up by anti-bolshevik forces and eventually suppressed by Red Army and the Bolsheviks during the Civil War; Komancza Republic (1918-1919), Banat Republic (1918) and Republic of Prekmurje (1919) among these unrecognized declarations of independence.

⁴ Furthermore it was very arbitrary. As Ivor Jennings (1956, p. 56) put it "[o]n the surface [Wilson's principle of self-determination] seemed reasonable: let the people decide. It was in fact ridiculous because the people cannot decide until somebody decides who are the people".

matter of Alsace-Lorraine [...] should be righted". Beyond this, Wilson refused to accept the existence of any national problems within the Prussian territories and he was explicitly opposed to the separation of Rhineland from Germany (Graebner & Bennett, 2011, p. 46).

Likewise the implementation of these principles was very selective. Wilson's Twelfth Point, for instance, declared that non-Turkish minorities of the Ottoman Empire should be granted the right of autonomous self-development (McDowall, 1997, p. 115). This principle, of course, should have applied to the Kurds as well who were also struggling to gain their independence since the late 19th century. In the Treaty of Sevres (1920), Kurdistan was even scheduled to have a referendum to decide its fate. This schedule, however, was postponed for good when a new Turkish state emerged in the region. Western powers planned to take this new state into their sphere of influence against the USSR. There was no mention of the "Kurdish Problem" in the Treaty of Lausanne (1923).

Curiously, the USSR also started to interpret the "right of nations to self-determination" very selectively, especially after 1922. They supported the Kuomintang in China which had started to re-incorporate breakaway states in the late 1920s through its "Northern Expedition". In the Middle East and Transcaucasia, they negotiated with and defended the interests of the new Turkish Republic and did not mention the Kurdish or Armenian problem anymore (Hobsbawm, 1992, p. 165). The USSR itself was in a process of territorial expansion. "In 1939-40, the USSR in practice recovered all that Tsarist Russia had lost, except for Finland (which had been allowed to secede peacefully by Lenin) and former Russian Poland" (Hobsbawm, 1992, p. 165).

Furthermore the rise of the fascist threat that led to World War II created a contentious coalition among these two powers (the US and the USSR). They both defended the sovereignty of European nations against fascist expansionism. Thus when World War II (1939-1945) ended, there was no strong motivation either among the capitalist or socialist bloc to restructure Europe according to the "principle of self-determination". To put it more directly, by 1945, the right of nations to self-determination was not defended as a principle either by the US or the USSR. The principle was not completely abandoned but it was applied in a completely new context, almost exclusively in the setting of the colonial world. Thus Eric Hobsbawm is right, "contrary to common belief, the principle of state-creation since World War II, unlike World War I, had nothing to do with Wilsonian [or Leninist] national self-determination" (Hobsbawm, 1992, p. 178).

State-Seeking Movements During US Hegemony, 1945-1973/80

The "contentious coalition" between the US and the USSR in the post-1945 order was in one way similar to the coalition that the United Kingdom established with the *Holy Alliance* after 1815. Of course there were explicit differences between these two coalitions. In the early 19th century the new hegemon of the capitalist world system made a coalition with the representatives of an "old" order; whereas this time, the United States entered into a coalition with representatives of a "new" (a "future") order. Furthermore, this time the contentious character of this coalition was more apparent: The "contentious coalition" turned into a "Cold War".

However, there were important agreements between these two powers that shaped the trajectory of state-seeking nationalist movements in the post-1945 period. First of all, both parties agreed that the "right of nations to self-determination" must be applied to non-Western people of the world as well. This was something new for the world. As Arrighi reminds us, under British hegemony;

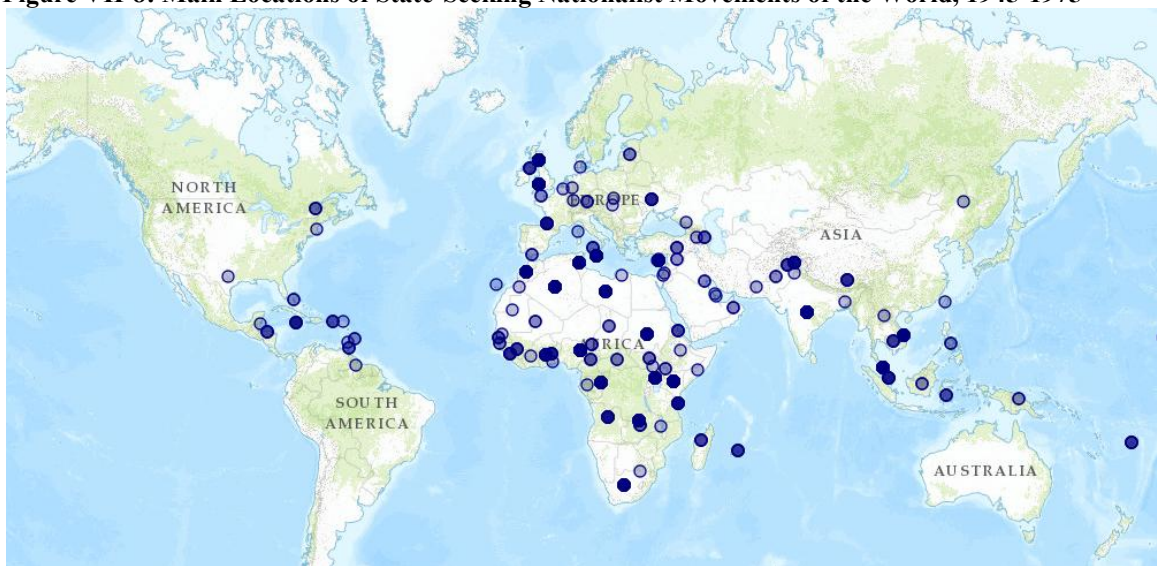
non-Western peoples did not qualify as national communities in the eyes of the hegemonic power and of its allies, clients, and followers. Dutch hegemony, through the Westphalia system had already divided the world into a favored Europe and a residual zone of [...]. Britain's free-trade imperialism carried this division one step further. While the zone of amity and civilized behavior was extended to include the newly independent settler states of the Americas, and the right of Western nations to pursue wealth was elevated above the absolute rights of government of their rulers, non-Western peoples were deprived both in principle and in practice of the most elementary rights to self-determination through despotic rule and the invention of appropriate ideologies, such as 'Orientalism' (Arrighi, 1994, p. 64).

Both the US and the USSR supported the idea that non-Western people should be equal members of the club of world nations. Thus the right of nations to self-determination did not disappear in the post-1945 period but this concept was applied more to the colonial world. National liberation gradually turned into a synonym for anti-colonialism. From 1945 to 1975, in an age of material expansion and hegemonic consolidation, the world saw the greatest wave of decolonization in its entire history.

Firstly, colonial systems started to break down in Asia. Syria and Lebanon - both of which were former French territories - became independent in 1945. In 1946, the USA granted the independence of the Philippines which was under US occupation since 1898. India and Pakistan became independent in 1947. Burma, Ceylon (Sri Lanka), Palestine (Israel) and the Dutch East Indies (Indonesia) gained their independence in 1948 (Hobsbawm, 1996, p. 217; Gleditsch & Ward, 1999). But this was merely the beginning. As Figure VII-8 illustrates, state-seeking movements between 1945 and 1975 mainly

concentrated on Africa, Middle East and South/South East Asia. In the SSNM database, 31 percent of all mentions of state-seeking movements (between 1945 and 1975) were from Sub-Saharan Africa; 23 percent of them were from North Africa and Middle East and 15 percent of them were from South and South East Asia. To put it differently, mentions from these three "colonial" regions contained almost 70 percent of all mentions of state-seeking activities in this period.

Figure VII-8: Main Locations of State-Seeking Nationalist Movements of the World, 1945-1975



Source: SSNM database.

These movements were largely successful in creating independent states. In 1945 there were 65 sovereign independent states in the modern inter-state system, in 1975 this number was 150. The success of these decolonization movements was a result of a large combination of interrelated factors. The increase in the number of new nations was positively correlated with the scale of imperial conquests during the British systemic cycle. The type of imperialist expansion in the earlier era (the establishment of direct and alien rule over people) also became a factor which triggered grievances in the colonies much faster than earlier systemic cycles and contributed to the development of a stronger

wave of anti-colonial resistance than before. The intense ideological struggle between the USSR and the USA, and the increasing debts of the colonial empires -especially the British - also contributed to the pace and success of these movements (Lachmann, 2010, p. 181).

Besides all these reasons, it is important to underline for our purposes that decolonization was also an integral part of the US hegemonic consolidation. "Global decolonization and the formation of the United Nations, whose assembly brought together all nations on an equal footing, have been the most significant correlates of US hegemony" (Arrighi, 1994, p. 66). In the course of the Second World War,

the United States was able to pose itself as the natural ally of the emergent nationalism in the colonial empires, and as the guarantor of the promises of self-determination and national independence through which the colonial peoples were mobilized against the Axis powers. Immediately after the war, the model of the 'Revolution of 1776' was not merely an American propaganda for use in the colonial world, but also a spontaneous source of inspiration for the colonial peoples themselves. The Democratic Republic of Vietnam, for instance, modeled its 1946 Declaration of Independence on the American document of 1776. In reality, US support, or at least neutrality, in the struggles of the national liberation movements did accelerate the tendency to decolonization in certain areas of particular economic and strategic importance (the Middle-East, India, Indonesia) (Arrighi, 1978, p. 94)

In addition, through admitting the newly independent nations into the newly established "United Nations", and promising them economic growth and development, the US not only increased its intellectual and moral leadership within the non-Western world, but also created a favorable environment for capitalist development. The period from 1945 and 1970 became a period of material expansion; whose two main pillars were decolonization and the development project (Silver & Slater, 1999, p. 209; McMichael P., 2012; Harvey, 2003, p. 58).

The period from 1945 to 1970 [...] brought a remarkably strong economic growth to the advanced capitalist countries. A tacit global compact was established among all the major capitalist powers, with the US in a clear leadership role. The geographical

expansion of capital accumulation was assured through "decolonization" and "developmentalism" as a generalized goal for the rest of the world (Harvey, 2003, p. 58).

The effects of this material expansion on state-seeking and state-led nationalist activities in the post-colonial and the western world were not identical. In many ways, they were the opposite of each other. This period became a period of relative peace in the Western (core) regions of the world, and it turned into a period of social and political instability in the non-Western (peripheral) regions.

Nationalism in the Colonial and Post-Colonial World

None of these colonial movements fit in the ethno-linguistic definition of nationalism which emerged as the dominant definition since the 1870s (Breuilly, 1982, p. 195; Hobsbawm, 1992, p. 178). New nations of the anti-colonization movements of the 20th century were extremely heterogeneous entities. They gained their independence in the territories drawn by the colonial powers, which did not overlap with any kind of linguistic, ethnic or religious borders. For instance;

[t]he case of Indonesia affords a fascinating intricate illustration of this process, not least because of its enormous size, huge population (even in colonial times), geographical fragmentation (about 3,000 islands), religious variegation (Muslims, Buddhists, Catholics, assorted Protestants, Hindu-Balinese, and 'animists'), and etholinguistic diversity (well over 100 distinct groups). Furthermore, as its hybrid pseudo-Hellenic name suggest, its stretch does not remotely correspond to any precolonial domain; on the contrary, at least until General Suharto's brutal invasion of ex-Portuguese East Timor in 1975, its boundaries have been those left behind by the last Dutch conquests (c.1910) (Anderson B. , 1991, p. 120).

"Artificial territories" left behind by the colonial powers is not the only reason why there was no ethnic or linguistic homogeneity among these new nations. After all, during anti-imperialist resistance and struggles, people in these colonies did not act as a single body. There were different struggles, in different parts of these colonies, with different resources and sometimes with different agendas. The rivalry among imperialist

powers during the world wars or the struggle between the hegemonic bloc and the communist bloc in the post war era also contributed to making these distinctions more pronounced. Precisely because of these differences, anti-colonial liberation movements often created coalitions or alliances of diverse groups that embraced the colony as a whole. When Sukarno and Hatta proclaimed the independence of Indonesia in 1945, they were referring to not only Javanese but also the Acehnese, Sulawesi, Ambonese and all other groups living in the former Dutch colonies. Likewise, the Indian National Congress was a political movement which attempted to embrace all Hindus, Muslims and other religious, ethnic and linguistic groups within its territories. It is argued that in the 1930s, the Congress was more successful than the "Muslim League" in mobilizing people living in the Muslim regions of India (Hobsbawm, 1996, p. 219; Breuilly, 1982, p. 175). In Kenya, to give another example, the movements by the Kikuyu, Luo and the Luyia were not a unified whole (Breuilly, 1982, pp. 186-194). Even among the Kikuyu there were alternative liberation strategies. Kenya Land and Freedom Army (KLFA) - known as the Mau Mau movement - was distinct from other Kikuyu movements. And Jomo Kenyatta's movement - Kenya African National Union - was a coalition of unitary and constitutional nationalists which was against the Mau Mau movement (Breuilly, 1982, pp. 192-194).

These observations are important for two main reasons: First they illustrate that trying to apply an ethnic or linguistic definition especially to these state-seeking or state-led nations of the former colonies would be in vain. Thus during US hegemony, "nation" started to gain - again - a new meaning: If any community managed to establish a state of its own and is recognized by the international community, it was a nation. Nations were

merely communities that belonged to sovereign, independent states. It did not require any other objective base. Terms "state" and "nation" gradually started to converge.

Secondly, and more importantly, when these new nations of the colonial world gained their independence, they realized their problems were not yet over. They found themselves in constant struggle on different fronts. The first front was related to underdevelopment. As Frantz Fanon put it "during the colonial period the people are called upon to fight against oppression; after national liberation, they are called upon to fight against poverty, illiteracy and underdevelopment. The struggle, they say, goes on" (Fanon, 1995, p. 283). The second front was establishing order and political stability. These new nations could not be as stable entities as they wished. On the contrary, every time rulers tried to establish more "centralized" states either for political or economic reasons, they met resistance by state-seeking movements. In these peripheral regions, there was almost never a period of political stability and order.

Indonesia is a good example of this case. Sukarno and Hatta proclaimed the independence of Indonesia in 1945 and its independence was recognized in 1949. The period from 1945 to 1949, however, was a period of a complex set of Islamic, communist and diverse "nationalist" insurrections in the region (Hobsbawm, 1996, p. 218; Minahan, 2002). Aceh people, people of South Sulawesi or Ambonese (of South Moluccas) fought against the Dutch but did not originally want to be part of the "United States of Indonesia" (Minahan, 2002). In this period they were persuaded to be a part of *the federation* in exchange for a promise of considerable autonomy. However the centralization attempts of the United States of Indonesia for a unitary state right after independence led to the breaking of existing compacts made with these nationalities.

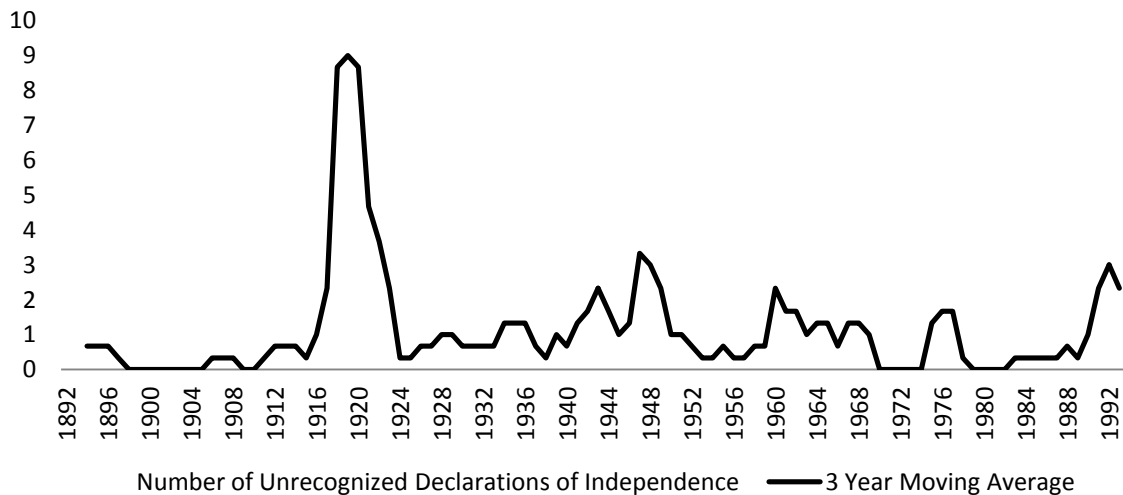
Muslim people of Aceh declared the Islamic State of Aceh and Ambonese people declared the Republic of South Moluccas in 1950; and South Sulawesi declared the Celebes Republic in 1958, but these entities were not recognized. Furthermore when the Dutch government gave up its foothold in New Guinea, this territory was transferred to Indonesia again - against the will of the people of New Guinea. From then on, the people of West Papuas also joined the cluster of nations struggling against the Indonesian government (Kingsburg, 2011).

Similarly the decolonization of India was not smooth. First of all, decolonization of the British Raj led to the establishment of a Muslim dominated state - Pakistan - and a Hindu dominated state - India - in 1947. At the time, "the British also had treaty relationships with 528 nominally independent principalities" (Hewitt & Cheetnam, 2000, p. 143). In most cases these nominally independent principalities were "persuaded to become part of the Indian Union for recognition of their rulers' privileges" (Hewitt & Cheetnam, 2000, p. 143). But in some cases - as in Hyderabad, and Jammu and Kashmir - they were never persuaded (Hewitt & Cheetnam, 2000, p. 143; Minahan, 2002). In Hyderabad, there was a Hindu population under a Muslim ruler (*Nizam*); and in Jammu and Kashmir there was a Muslim population with Hindu rulers. While the Indian state was trying to incorporate Hyderabad into the emerging new Indian state, the Communist Party in Hyderabad was organizing communist-led guerilla bands attempting to overthrow the *Nizam* and establish a soviet republic (Pavier, 1974; Minahan, 2002, p. 1871; Hewitt & Cheetnam, 2000). Furthermore, in 1947, the Republic of Azad-Kashmir was proclaimed but never recognized. Kashmir became an ongoing problem. Although leaders of the movement renounced its claim to independence in exchange for

considerable autonomy and a plebiscite in 1952. India refused to hold the promised plebiscite.

We cannot summarize all conflicts that took place during this "material expansion period" in post-colonial nations. It suffices to underline for our purposes that state-seeking struggles in the non-Western world in the 1945-1975 period were not merely struggles of "colonies" which gained their independence. There were simultaneous struggles of various other nationalities which never managed to gain their independence and turned into "unfinished businesses".

Figure VII-9: Number of Unrecognized Declarations of Independence by Contemporary Stateless Nations



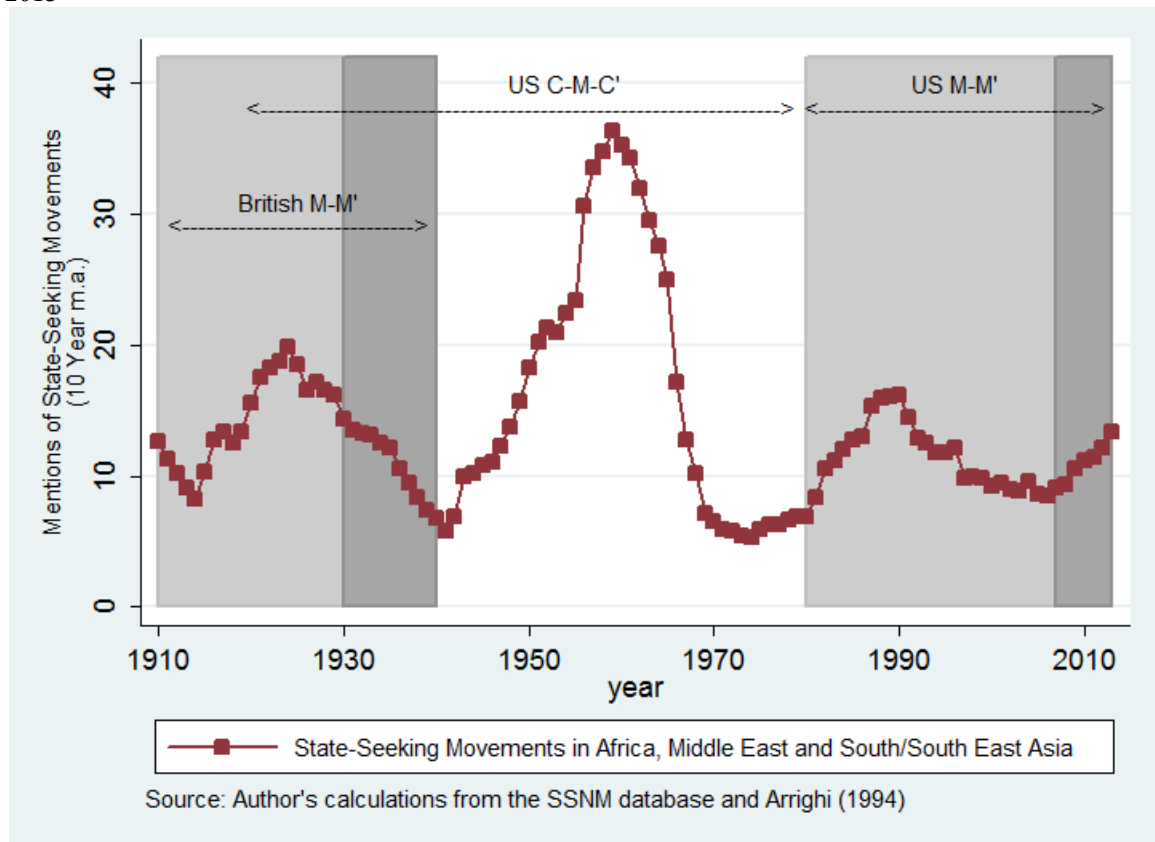
Source: Author's calculations from Minahan (2002)

Figure VII-9 shows the frequency of unrecognized declarations of independence from 1892 to 1992, of stateless nations that still struggle for statehood in the post-1992 period. As we can see, the trajectory of "unrecognized declarations of independence" is not totally independent from the trajectory of state-formations. The 1917-1922 period created the strongest wave of unrecognized declarations of independence. Waves of declarations of independence in 1940-1949 and 1960-1968 also overlap with the state-

formation processes due to the success of decolonization movements in South/South-East Asia and Africa respectively. This overlap is not a coincidence and the number of ongoing state-seeking movements was much greater than unrecognized declarations of independence. Furthermore, from 1950 to 1960s, especially in the North Africa and Middle East (i.e. Iran, Iraq, Syria, Egypt, Morocco), a series of popular movements, revolutionary coups, insurrections and counter-revolutions occurred to overthrow the existing Western client regimes. These government takeovers - which took place in the context of the Cold War - also contributed to the political instability in these regions. Sometimes they provided a second opportunity for state-seeking movements which failed to gain their independence during the 1914-1945 period. Hence, in the Third World, the 1945-1970 wave of state-seeking movements were not merely decolonization movements. Even after these colonies gained their independence, a high number of state-seeking movements continued to exist (see Figure VII-10).

In short, these non-Western post-colonial states were never able to enjoy the political or economic benefits of the US-led material expansion or the US hegemony in general. Neither were they able to climb the ladders of development nor to achieve political stability. In the Cold-War environment, these regions found themselves in the middle of a conflict between the capitalist and the communist worlds, both of which desired to extend their sphere of influence into the "Third World". While peace predominated the Northern countries, the South turned into a battlefield. Each conflict unleashed further contradictions *within* and *between* the capitalist and the socialist blocs.

Figure VII-10: State-Seeking Movements, Africa, Middle-East, South and South East Asia, 1910-2013



Every attempt of the new Third World nations to "develop" and to "modernize" in the path suggested by the developed and modern nations often led to the further intensification of other state-seeking movements within these new post-colonial states. The contradiction was stark: to develop they needed to attract capital; to attract capital they needed to create a favorable investment climate, which meant "a commitment to capitalist development; the curbing of nationalism; the control of the left, the working class, and the peasantry" (Escobar, 1995, p. 33; Silver & Slater, 1999, p. 209). But the attempts to create more centralized states often conflicted with various contentious coalitions established during state-formation periods. Although there were major attempts - like the Bandung Conference of 1955 and the non-alignment movement- by these newly independent Third World nations to assert their *de facto* independence from both blocs, to

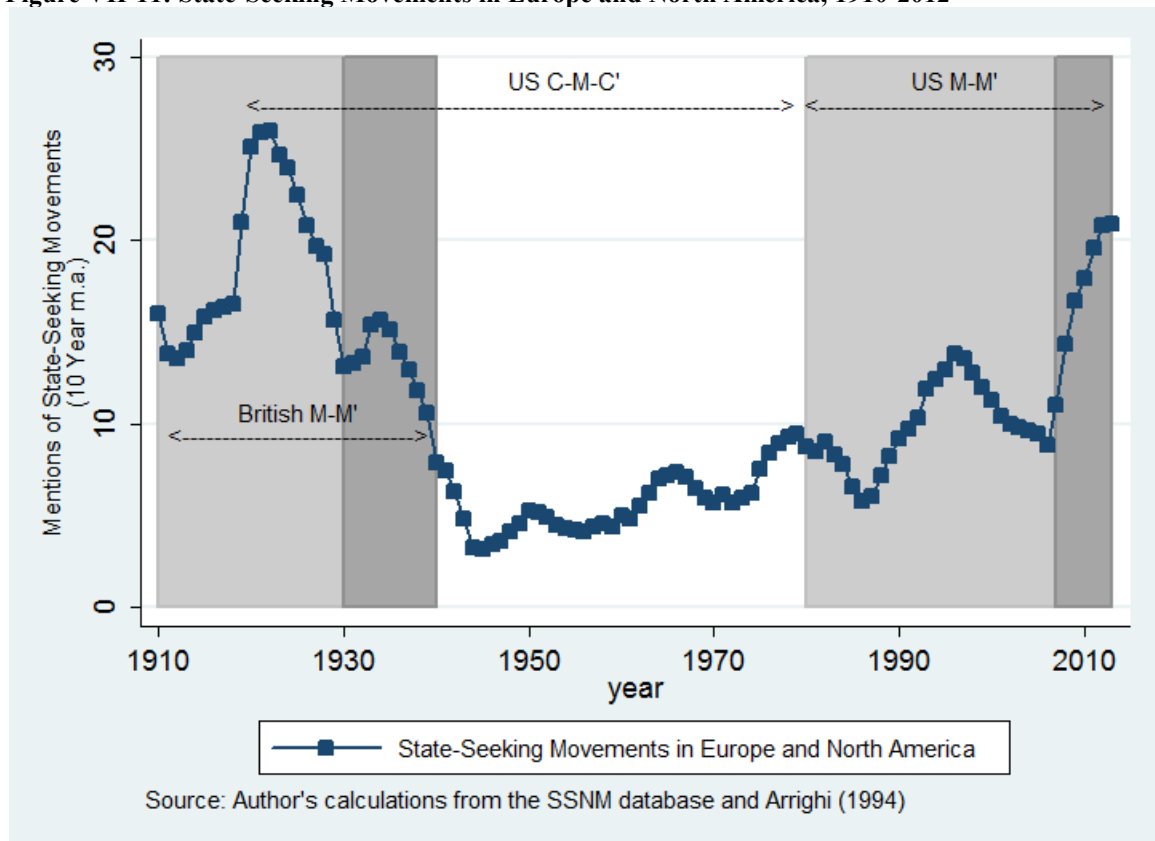
promote economic and political cooperation and to provide conditions of peace, and to achieve internal political stability, these coalitions did not provide a permanent solution to the structural problems faced by these nations. Thus there was a vicious cycle of political instability and economic underdevelopment in the periphery, which created a fertile atmosphere for state-seeking movements.

Nationalism in Western Countries

But in the core countries the situation was the direct opposite. During the US material expansion Europe ceased to be the primary location of state-seeking movements. Eastern Europe's share in the total number of mentions in SSNM database in the 1945-1975 period fell from 21 percent to 2 percent. The share of state-seeking nationalist activities in Western and Southern Europe fell from 29 percent to 16 percent. Although 16 percent is still high, almost half of these mentions belong to the post-1968 period that we will discuss in more detail as an anomaly. To put it differently from 1945 to 1975, nationalist movements in European and North American countries were more or less safely contained.

This containment was partially due to the end of inter-state warfare in Europe. Similar to the end of Thirty-Years War (and Eighty-Years War) in the mid 17th century and the end of Napoleonic Wars in the early 19th century, the end of World War II provided an opportunity for European statesmen to turn their attention to their internal problems. Although the use of "force" was still an important tool of European states to solve their remaining internal problems, this was not the primary tool used in state-building strategies to contain their populations (Silver & Slater, 1999, p. 203).

Figure VII-11: State-Seeking Movements in Europe and North America, 1910-2012



One of the significant changes in state-led nationalism of the post-1945 period was that it utilized "consent-production" strategies to contain state-seeking activities more than ever. Because lower classes also became one of the driving forces of state-seeking nationalist activities, new consent-production strategies that could penetrate into these classes were required. Soon governments started to use welfare and redistributionist policies to increase the legitimacy of the state in the eyes of their populations.

This was a complete novelty. During the British cycle of accumulation when nations became the constituent units of the interstate system, there was still a sharp differentiation between property-holders and propertyless masses. British hegemony established social compacts with the middle classes but not with the lower classes. As we have seen, large masses were not considered to be a part of the political nation until the

late 19th century (Carr, 1945). But even in the 1870s or 1920s - when the political nation incorporated the working classes - the idea that the livelihood of the masses constituted a basic right to be protected did not exist. The profits of the inter-war period were created at the expense of these propertyless classes (Polanyi, [1944] 2001).

However two main factors changed this conception in the post-1945 period. First was the 1929 Great Depression, which led to the near-collapse of the existing capitalist regimes, and the second one was the growing communist threat. The 1929 crisis proved that the spectacular boom of world economy was not sustainable if "effective demand" for (over)production was not available. Since the crisis appeared fundamentally as a lack of effective demand,

it was in those terms that the search for solutions began. [... After 1945] capitalism in advanced capitalist countries achieved strong but relatively stable rates of economic growth. Living standards rose, crisis tendencies were contained, mass democracy was preserved and the threat of inter-capitalist wars kept remote (Harvey, 1990, pp. 128-129).

"Governments promised to use the macroeconomic tools at their disposal to assure full employment, while business would pass on a share of the increased profits from rising productivity in the form of rising real wages" (Silver & Slater, 1999, p. 205). Rising living standards, expansion of the scope of democratic rights and liberties, establishment of regulatory/redistributionist regimes, increased the legitimacy and desirability of existing governments on behalf of their citizens.

These provisions were strategies designed to reduce the impact of the communist ideology in the Western hemisphere. During British hegemony, the threat posed by those who continued the French Revolutionary tradition (Napoleonic Empire) were defeated decisively in Waterloo in 1815. With the defeat of its main enemy, the United Kingdom

and Holy Alliance were less hesitant to use brute force to oppress opposition when necessary. During US hegemony, however, the threat posed by those who continued the Bolshevik Revolutionary tradition (the USSR) was not defeated. On the contrary, this threat was growing in every aspect. Communists were making appeals to workers and peasants of all countries of the world to overthrow their governments. This fact - to some extent - inhibited the US and the emerging hegemonic bloc from relying mainly on repressive measures. To reduce the impact of communist ideology, the propertyless masses were incorporated into the political nation not only in the USA but also the rest of the world (Silver & Slater, 1999, pp. 202-203). In 1947, the US Assistant Secretary of State for Economic Affairs, Will Clayton summarized the concerns:

Communist movements are threatening established governments in every part of the globe. These movements, directed by Moscow, feed on economic and political weakness [...] The United States is faced with a world-wide challenge to human freedom. The only way to meet this challenge is by vast new programme of assistance given directly by the United States itself (Brett, 1985, pp. 106-107).

This is how the US material expansion period became a period of relative peace and prosperity, greater mass consumption and de-politicization in the European and North American countries (Silver & Slater, 1999). Even though secessionist organizations existed in relatively disadvantaged/poor regions, they had more difficulty in mobilizing the masses in this post-War environment. Furthermore, welfare policies of various forms of developmentalist states in different parts of the world temporarily contained secessionist movements and other forms of ethnic and collective violence directed against states (Derluigan, 2013, p. 177; Evans, 1995).

This relative peace was not because the uneven development of capitalism came to an end. Geographically the development of capitalism was still uneven even at the

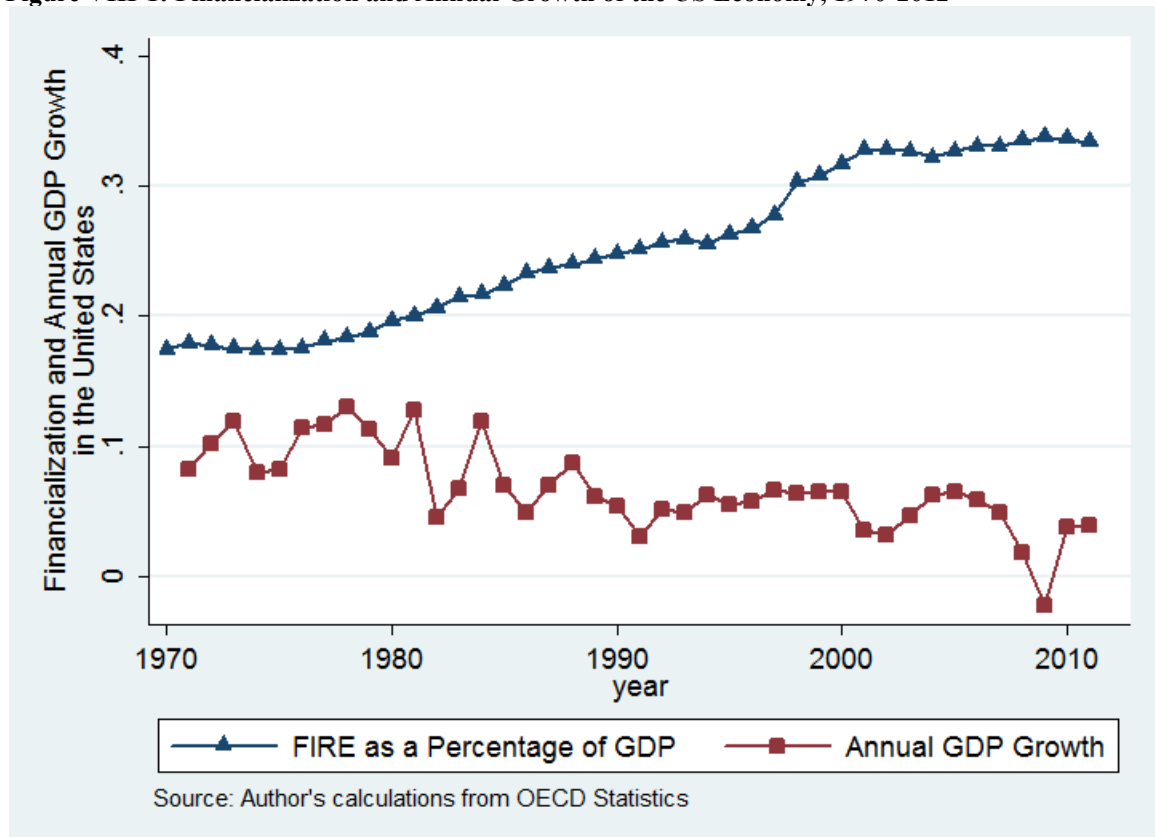
national level. But the continuation of the virtuous cycle of system-wide "material expansion" made it easier for developed states to counter the negative effects of widening regional inequalities through redistributionist policies. In the United Kingdom, for instance, residents of the poorer regions, who were contributing less than average to government revenues, started to enjoy more or less equal public services in this period (Birch, 1989, p. 84). Furthermore, the uneven development of capitalism at the global level made the inter-regional redistribution of wealth and welfare at national levels much easier for core countries. After all, even without the existence of formal colonies, the uneven development of capitalism worked for the benefit of the core countries (Emmanuel, 1974; Frank, 1969; Arrighi, 1990; Magdoff, 1978; Mandel, 1975).

In the core, the transfer of surplus from the periphery provided more opportunities for rulers to provide benefits for their populations and reduce the demand for independent states. This led to a low number of state-seeking activities. In the periphery, however, state-led nationalist activities could not rely on consent-production. Their efforts to modernize and centralize necessarily provoked state-seeking movements. Moreover, because they had to rely disproportionately on repressive measures, national discontent became even more widespread. This was a vicious cycle. Not only did these states fail to "catch up" economically, they were continuously faced with state-seeking unrest and other types of political instabilities. That's why while state-led nationalism in the core emerged as "liberal and peaceful", in the periphery it was "intolerant" and brutal. This is the secret behind Hans Kohn's (1994) "Western" and "Eastern" types of nationalist unrest.

VIII. STATE-SEEKING MOVEMENTS DURING THE CRISIS OF US HEGEMONY

The US material expansion came to an end in the 1970s. Annual growth rate of the United States started to decline gradually and the share of financial activities started to rise very rapidly. This was the context of the US-led financialization. As Krippner (2011) puts it, the broader turn to US economy after 1980s were reinforced by the crisis conditions that occurred in the late 1960s and 1970s.

Figure VIII-1: Financialization and Annual Growth of the US Economy, 1970-2012

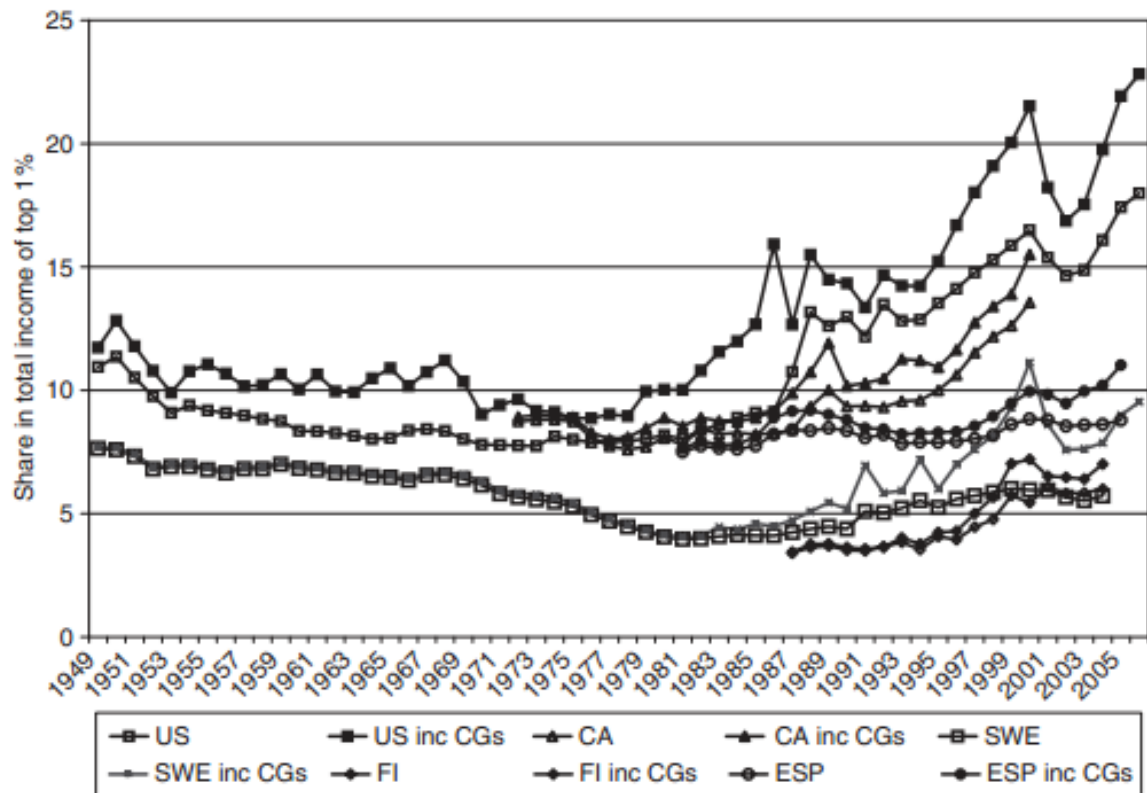


Note: FIRE stands for the combination of Finance, Insurance and Real Estate

According to David Harvey (1990), the crisis of the US economy occurred because of the "rigidities" of the Fordist-Keynesian mode of accumulation that took place during US-led material expansion. Rigidities of long-term plans and large-scale investments in mass production systems, rigidities of the regulated labor markets, unions and collective bargaining policies, and rigidities of various forms of state commitments soon became obstacles before endless accumulation of capital. The reciprocal contracts between "big business", "big labor" and "big government" started to undermine private profits. In order to provide profits, private capitalist enterprises needed a breakaway from the existing "rigidities" of the mode of accumulation (Harvey, 1990). Marx's "moneyed interest" started to rule once again. The pendulum swung back and Polanyi's "self-regulating market" was reborn from its ashes. This time it was called "neo-liberalism".

For most parts of the world, the post-1980 period was an era of financial-expansion, privatization, unregulated commodification (of land and labor), increasing polarization of wealth between and within countries. In the Western world, the redistributionist policies were abandoned, inter-class and inter-regional inequalities escalated (see Figure VIII-2 below). These new conditions, according to our theoretical/conceptual framework, started to create a relative more fertile ground for the intensification of state-seeking movements, especially in Europe.

Figure VIII-2: Within Country Inequality in the US, Canada, Sweden, Finland and Spain, 1949-2007



Source: Atkinson, Piketty and Saez (2010, p. 673). CGs refers to incomes including capital gains. US=United States, CA=Canada, SWE=Sweden, FI=Finland, and ESP=Spain.

Interestingly, however, the increase in the state-seeking movements did not start with the changes that took place in the political-economic configuration of the US-hegemony in the 1980s. The real "surprising" increase in Western nationalism occurred in the late 1960s, long before these macro-structural transformations. For these reasons, before we explain the effects of the changes in the global of state-seeking movements, we must first examine this anomaly.

Speeding Up of Nationalist Unrest?

In the late 1960s, before financialization took off, and as the decolonization process was gradually being concluded, state-seeking nationalist movements suddenly reemerged in Western Europe and North America (Hechter, 1975; Nairn, 1977; Kellas,

1998, pp. 105-126; Tiryakian & Rogowski, 1985; Breuilly, 1982, pp. 319-336). "In 1966 a sudden resurgence of the Scottish and Welsh nationalist parties [in the United Kingdom] served notice that the phenomenon of 'Celtic nationalism' could not merely be considered a vestige of the past" (Hechter, 1975, p. 264). A number of state-seeking secessionist organizations - including The Provisional IRA - turned to armed struggle to secede from the United Kingdom and to unify with Ireland (Merriman, 1996, pp. 1372-1373). In Canada, Quebecois nationalism was reborn in the 1960s through the "Quiet Revolution" (Brunet, 1973; Kellas, 1998, p. 117; Minahan, 2002, p. 1546). In the early 1970s, it took a more radical form when FLQ (Marxist Front for Liberation of Quebec) turned to armed struggle (Kellas, 1998, p. 117; Minahan, 2002, p. 1546). In Spain and France, Basque nationalists organized under ETA started to increase their state-seeking activities in 1968 (Minahan, 2002, p. 287; Calvet, 2011). In the early 1970s, Bretons and Corsicans were among state-seeking nationalist movements as well (Webster, 1974).

In short, the period from 1966 to the early 1970s was a period of nationalist revival in Europe (Merriman, 1996, pp. 1372-1373). But various signals of hegemonic crisis - including financialization or intensification of the arms race among great powers - occurred not in the 1960s but in the 1970s. What caused the nationalist revival in Western Europe in this period then? The key to answering this question lies in some other "anomalies" of the US hegemonic crisis. After all other forms of social conflicts such as labor militancy and social revolutions also increased in the late 1960s. Arrighi (2009) and Silver and Slater (1999) refer to this anomaly of US hegemony as "the speeding-up of social history". Which means, among all indicators of the hegemonic crisis, social movements came first. But why? As Silver and Slater (1999) underlines:

the backbone of the resurgence of class conflict in Western Europe was the large, new, mass-production working classes created [...] in the 1950s and 1960s. [...] In the short run, major gains in wages and workers' rights were obtained. In the medium run, the wave of labor militancy (and rising labor costs) touched off a thorough round of restructuring of business enterprises (Silver & Slater, 1999, p. 215).

If we translate this into Harvey's terms, the rigidities of Fordism led to the strengthening of skilled and semiskilled labor vis-a-vis capital in Europe and in North America. As both explanations underline, the backbone of the class conflict of the 1960s was not low skilled workers or peasants, it was the new working classes, which gained considerable rights and privileges during the material expansion period. "Coincidentally", many scholars of nationalism who observed the nationalist resurgence of the late 1960s also underlined that:

The distinctive element in these new separatists movements is the leading role played by economically more advanced or more rapidly developing regions. These movements draw not on peasant or traditional working-class support so much as on a managerial, technical and administrative middle-class and a mobile, young, often skilled working class. [...] This is virtually the only generalization that can be made about these movements (Breuilly, 1982, p. 334).

Many state-seeking nationalist revivals occurred in the more advanced, rapidly developing or "relatively over-developed" regions of Europe or North America - such as Scotland, Quebec, Wales or Euskadi [Basque] - in the late 1960s (Nairn, 1977, p. 47) and these movements were supported by the skilled working class and the new middle classes (Breuilly, 1982, p. 334). Since World War I, many of these movements became part of the "left", and considered themselves as "socialist" movements in one way or another (Hobsbawm, 1992, pp. 149-150; Lipset, 1981, pp. 242-243). Thus, developments that affected working classes and the left in general found its echo in these movements as well. Together with the relative empowerment of labor, these organizations also managed to increase their organizational capacities to mobilize their populations against the developmentalist promises non kept. In the early 1960s, they were not acting as

traditional nationalist organizations which emphasized their ethno-linguistic rights any more. There has been a profound shift in the legitimate rationale for regional autonomy (Hechter, 1975). In the United Kingdom "SNP and Plaid Cymru devote[d] much attention to complaints about continual unemployment; the 'forced migration' from the periphery to alien lands; worsening industrial squalor; and the decay of agricultural sector" (Hechter, 2001, p. 305). And "some of the movements, as in Quebec, have also taken up the ecological theme and linked the idea of participatory, small-scale government with a critique of what is seen as rapacious and careless destruction of the environment and the waste of precious resources typical of large-scale capitalism (and socialism, for that matter)" (Breuilly, 1982, p. 335). A criticism of the existing social and economic policies of the ruling nations, especially the promises not kept, were essential themes of the new national movements (Keating, 1988; Kellas, 1998, pp. 106-107).

But there was a second factor as well. The ongoing decolonization movements in the periphery did not continue smoothly especially in parts of French Indochina (Vietnam, Cambodia and Laos), where communist forces under the leadership of Ho Chi Minh not only declared independence but also established a communist regime. Although French forces - supported by the British and the USA - were withdrawn in 1954, the USA did not want to abandon the region to the communists, maintained a satellite regime in South Vietnam, and started to wage a twenty-year long war (Hobsbawm, 1996, p. 217). Together with the Cuban Revolution and the Algerian War of independence, the Vietnam War became an important factor in undermining the ideological superiority of the vision US was promoting. Furthermore these movements became models for new nationalist

movements such as ETA which synthesized armed struggle, independence and socialism (Heiberg, 1982, p. 377).

It has been argued that the social revolution of 1968 grew out of a sense that national development promised either by the US (or the USSR) had not occurred; and this criticism against the promises by the hegemonic bloc and the communist bloc manifested itself in different ways (Wallerstein, 1995; Arrighi, Hopkins, & Wallerstein, 1989). In a way, state-seeking nationalism in the Western world also followed a similar trend. Dissatisfaction with the promises not kept - especially in the sphere of development - was a key theme state-seeking nationalist movements used for mass mobilization. And similar to the variation within the left movements of 1968, there was a significant variation among these movements as well. In some places these state-seeking movements took the form of urban guerillas, in some places they were reformist social-democratic parties. But as a whole, they signaled that something was changing in the new world order established after World War II.

Crisis of US Hegemony, Financialization and Nationalism

By the 1970s, various signals of the decline of US hegemony already existed. The US military got into serious troubles in Vietnam; financially the US Federal Reserve found it impossible to maintain the Bretton Woods system and ideologically the US government's anti-communist crusade started to backfire (Arrighi, 1994, p. 301; Arrighi, 2007, p. 155). What energized OPEC to impose a substantial oil rent on the First World in 1973 was partially this visible decay of hegemonic power and the emerging uncertainties in the economic system (Arrighi, 1994, p. 322). The OPEC crisis of 1973

was followed by the 1980 debt crisis. By that time it was apparent that the foundations of the global economy under US hegemony was shaking. This led the US government to initiate a global level restructuration in the world political-economic system. By the 1980s, a new financial expansion phase of capitalist world history had already started.

Although nationalist revivals in Western Europe remained relatively strong in the late 1960s and 1970s, these movements did not further intensify with this rise of financialization. On the contrary, in the 1980s, in the face of financialization, they suddenly receded. Kellas (1998, p. 117) once wrote that "what brought about the sudden rise of Quebec separatism in the 1960s, its equally sudden decline in the 1980s, and its revival in the 1990s, is still something of a mystery, even to Canadians". This "mystery" was a much more general phenomena. The same pattern existed for a large number of the new nationalist movements of the developed countries and it was happening in the sphere of labor unrest as well. As David Harvey states "in the long-drawn-out dynamic of class struggle, after the crisis of 1973, working class movements were everywhere put in the defensive" (Harvey, 2003, p. 171).

The simultaneous decline of state-seeking movements and class-struggle in Western societies was not coincidental. Nationalist organizations that based their power on organized working classes receded with the decline of the class-struggle. Those who used violent campaigns were smashed more enthusiastically by the states, which needed stability more than ever to attract investment. Of course, use of brute force and suppression could have triggered further reactions by these state-seeking movements. But the characteristic of the post-1980 period was that the political-economic structure of this new era also had a number of "carrots" for state-seeking movements. One of the

most significant features of the post-1980 period was the design and implementation of an unprecedented number of decentralization policies, autonomous zones, regional administrations, democratic opening projects in developed and developing countries, especially where state-seeking nationalist tendencies were strong. This was because, the "neoliberal agenda", which was the product of this new age of financialization, also attacked policies towards centralization and defended economic and political decentralization. Thus it had the ability to show that the "moneyed interest" was also beneficial for state-seeking movements, if, of course, they gave up their arms and political organizations demanding secession. Thus the post-1980 period created an atmosphere in which some of these state-seeking movements were more easily suppressed or co-opted.

For anyone who examined the trajectory of nationalism in the late 1980s, the pattern looked simple enough. After a decline after the two world wars, national movements - especially in the West - seemed to suddenly disappear. There was an attempted revival in the late 1960s and early 1970s, but these attempts remained temporary and trivial. Globalization appeared as a process that was suppressing nationalist tendencies. Forces that created nationalism were believed to be disappearing along with the decline of the nation-state. This was the reasoning behind the many theories that predicted a decline of nationalism at the last decade of the 20th century.

Dissolution of the USSR and Other Socialist Federations

Between 1989 and 1992, however, this picture suddenly changed when the USSR and Eastern bloc federations dissolved and dozens of new states emerged in Eastern

Europe and Central Asia. Although many scholars of nationalism argue that existing nationalist conflicts within the USSR and other socialist federations were a main factor that caused the collapse of communism, this is not correct. The opposite is true. The increasing inability for the USSR to maintain the socialist regime unleashed these movements. To understand how this is so, we must look at the trajectory of the communist regimes since the beginning of the US hegemonic crisis.

It is beyond the scope of this study to discuss to what extent the USSR benefited from the direct or indirect effects of the US-led material expansion and the US hegemony. However, we can safely argue that "since 1945, the Soviet state - designed for war-like campaigns and mass production of industrial-age weaponry - had entered a long period of peace, in which it found itself confronted with the tasks most unnatural to it: namely, cost-efficient, flexible, uninterrupted output and distribution of consumer goods and services" (Derluguian G. , 2001, p. 15). Cold War competition environment pushed the USSR to counter the US hegemony on its promise of "development" and forced the USSR to present itself as an alternative (non-capitalist) mode of "development". In the late 1960s, it was becoming more apparent that neither the USA nor the USSR were keeping their promises.

Hence, the "1968 Revolution" was not only a reaction against the US hegemonic order but also against the legacy of the "old left" (Arrighi, Hopkins, & Wallerstein, 1989, pp. 101-103). It signaled that there was growing dissatisfaction with the Communist regimes and it pushed the USSR to contain these oppositions mostly through brute force. After the "Prague Spring" (1968), for example, when the first secretary of the Communist Party of Czechoslovakia implemented a number reforms including further

democratization, liberalization and decentralization, Soviet tanks and troops rolled into Prague to contain this reaction (Minahan, 2002, p. 1377). Under the "Brezhnev Doctrine", the Soviet leadership not only justified the invasion of Czechoslovakia but also signaled that they may intervene to other socialist states as well. Brezhnev's strategy of containing these and similar types of opposition to the existing communist regimes was to reinforce "the powers of oppressive Soviet bureaucracy [...] and the prestige of the army and the K.G.B. (the secret police). Reflecting the chill in relations with the United States, the Soviet Union, like its rival, poured more money into the manufacture of arms." (Minahan, 2002, p. 1377).

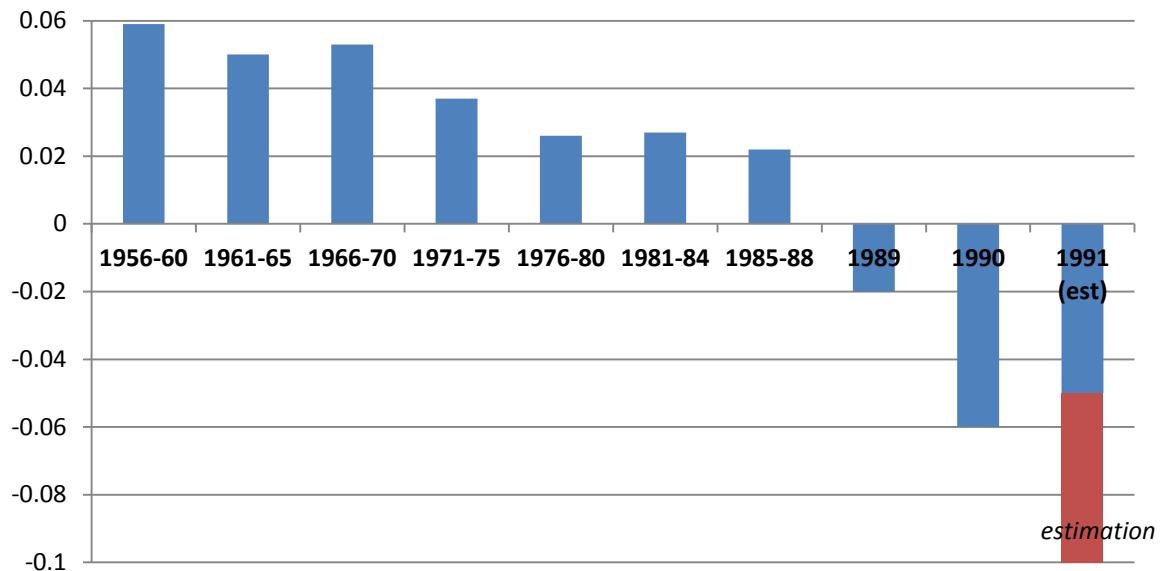
Increasing tensions in the Third World between the US and the communist forces in the 1970s created a fertile ground for this arms race. As the US hegemony started to decline, inter-great power rivalry between the US and the USSR intensified. The 1973 crisis supplied necessary money to the USSR when oil prices skyrocketed (Derluguian G., 2001, p. 16). Because the USSR was an important oil producer, it was affected by the 1973 OPEC crisis in a seemingly positive way. After the crisis, as Hobsbawm explains,

the millions simply rolled in without effort, postponing the need for economic reform and, incidentally, enabling the USSR to pay for its rapidly growing imports from the capitalist West with exported energy. [...] It has been suggested that it was this enormous and unforeseen bonanza that tempted Brezhnev's regime into a more active international policy of competing with the USA in the middle 1970s, as revolutionary unrest once again swept the Third World, and into the suicidal course of trying to match American arms superiority (Hobsbawm, 1996, p. 474).

It has also been suggested that the US government under the Reagan administration started the "Star Wars" initiative to draw the USSR into a race of arms superiority and to put greater pressure on the Soviet economy (Breuille, 1982, p. 344). Whether this was intended or not, it was clear that Soviet economy was in serious trouble

by the 1980s. According to official Soviet figures, the late 70s and early 80s witnessed the slowest growth rates in peacetime; according to some Western analysts, there was zero or negative growth (Breuilly, 1993, p. 344; Kennedy, 1992, p. 231). In either cases, it was clear that the Soviet economy was in decline.

Figure VIII-3: Decline in the Rate of Growth of Soviet GNP



Source: Kennedy (1992, p. 231).

Furthermore, the debt crisis of 1980s also hit Eastern European socialist states such as Poland and Hungary, which bought high amounts of loans from oil-rich OPEC states (Hobsbawm, 1996, p. 474). As a whole, communist economies were collapsing and social and political grievances were increasing. Gorbachev's reforms originally attempted to reform this economic structure, but to do that he had to restructure the existing political structure of the USSR as well (Breuilly, 1993, pp. 344-347; Merriman, 1996, p. 1381). Reforms of *perestroika* (restructuring both economy and political structure), *glasnost* (freedom of information, openness) and attempts to negotiate with the leaders of the opposition did nothing but hasten the decay (Hobsbawm, 1992, p. 168;

Hobsbawm, 1996, pp. 480-487; Breuilly, 1993, pp. 343-347). The political structure of the USSR and Eastern Bloc regimes collapsed between 1988 and 1992.

Separatism move[d] to center stage in 1989 when it became apparent that Gorbachev could not deliver on his optimistic, if fuzzy, promises. The bureaucrats governing the republics and industrial sectors, watching their positions threatened by democratization, rather desperately began transforming their administrative capital into political capital invested in sovereign national states, or else the economic capital of private firms. This explains why the erstwhile communist apparatchiks so readily defected to the causes of nationalism and neoliberal reform. In the process, these escaping bureaucrats sought selective alliances with the previously oppositional members of intelligentsia and specialists who could help them formulate the new legitimating discourses of power, whether nationalist or neoliberal, and also help to diffuse pressures from the opposition (Derluguian, 2013, pp. 185-186).

It was this collapse of communist regimes which unleashed the state-seeking activities and led to the establishment of twenty new states in Central Asia and Eastern Europe, not *vice versa* (Hobsbawm, 1992; Breuilly, 1993, pp. 340-365; Hechter, 2001). This fragmentation unleashed the third major wave of state-formation in the course of the twentieth century.

Nations and Nationalism After the "End of History"

The key to dissipating at least some of the fog that prevents us seeing the trajectory of state-seeking movements in the early 21st century, we believe, lies in the way we explain the eruption of state-seeking movements in the 1990s. What does the collapse of the USSR and the Eastern bloc really tell us about the trajectory of nationalism after the 1990s? There is a wide spectrum of views in the literature. We will focus on two opposite explanations to put forward our argument. At the one end of the spectrum, we can see the *primordialist* explanations. These explanations often portray the USSR as a multinational prison of oppressed nations whose religious, political and cultural rights were taken away. And they see the collapse of these communist federations as evidence of the fact that nationalist sentiments cannot be contained under

multinational political structures. Not surprisingly these explanations expect a continuation of nationalist unrest until these nations achieve their independence and freedom.

The main problem with this explanation is that the majority of boundaries along which these new "nations" struggled and/or gained their statehood did not exist before 1914/45 period (Hobsbawm, 1992, p. 166). Thus it is difficult to talk about the victory of *primordial* nationalist sentiments in this case. On the contrary, through establishing a union of socialist republics (the USSR was a union of 15 Soviet Republics) and an extremely complex web of administrative units within these Soviet Republics (Russian SFSR alone contained 16 autonomous republics and 5 autonomous oblasts within its territories), the Soviet Union contributed to the formation of a common and distinct identity in various regions more than anything else. Furthermore, there is not much evidence for intensification of state-seeking activities before the collapse of the USSR and Eastern bloc either¹. Both of these findings support that it was not the intensification of nationalist sentiments and feelings but the failure of the existing communist regimes which created these new states in Eastern Europe and Central Asia.

¹ Of course there are a number of exceptions. It is possible to observe state-seeking activities and demands in Baltic states such as Lithuania, Latvia and Estonia - which were incorporated into the USSR after the Second World War - before the collapse of the communist regime. When Nazi-Soviet Pact of 1939, - which included the plan of annexation of the USSR to Estonia, Latvia, Lithuania and Moldavia - was revealed in 1989 due to *glasnost* policies, legitimacy of the communist regime declined and hundreds of thousands of people in these Baltic regions took streets (Kellas, 1998, p. 132). In Yugoslavia there were state-seeking tensions as well, which further accelerated with the death of Tito. But still majority of state-seeking nationalist activities took place after the collapse of the communist regimes, not before. Indeed until late 1980s, there were not many instances of nationalist opposition in the USSR. They were more or less contained.

Based on these facts, scholars who believed that nationalism would no longer a driving force of history, argued that the nationalist upsurge of 1988/92 period must not be exaggerated. According to them, these new post-communist states did not emerge due to increasing sentiments of nationalism and there was not much reason to expect to see new tendencies towards secessionism in the 21st century. Some of these scholars even underlined the opposite tendency: After the collapse of the USSR and thanks to the spread of globalization - they argued - we started to live in a cosmopolitan global-village, where extremely heterogeneous, transnational and fluid identities emerged, ethnic and linguistic distinctions started to lose their power, and nation-states started to decline in importance. In this world, there was not much place for nationalism as a growing force (see Chapter I for a review of some of these perspectives).

From the perspective of this study, however, neither of these explanations are able to capture the most critical dynamic that has been taking place in front of our eyes. Our macro-comparative analysis of state-seeking movements across different systemic cycles in the *longue durée* suggests that what we have been experiencing is nothing but the fourth major wave of state-seeking movements in historical capitalism which accelerated during an age of financial expansion and hegemonic crisis/transition. The collapse of the USSR must *not* be seen as exogenous to this process. The USSR had a mark on almost everything that was associated with the US hegemony. It was one of two pillars on which the Long Twentieth Century was erected and its dissolution was not altogether independent from the forces that started to unleash the crisis of the US hegemony. Increasing discontent with the promises of the hegemonic bloc and intensification of inter-great power rivalry and arms race have hitherto been an integral part of periods of

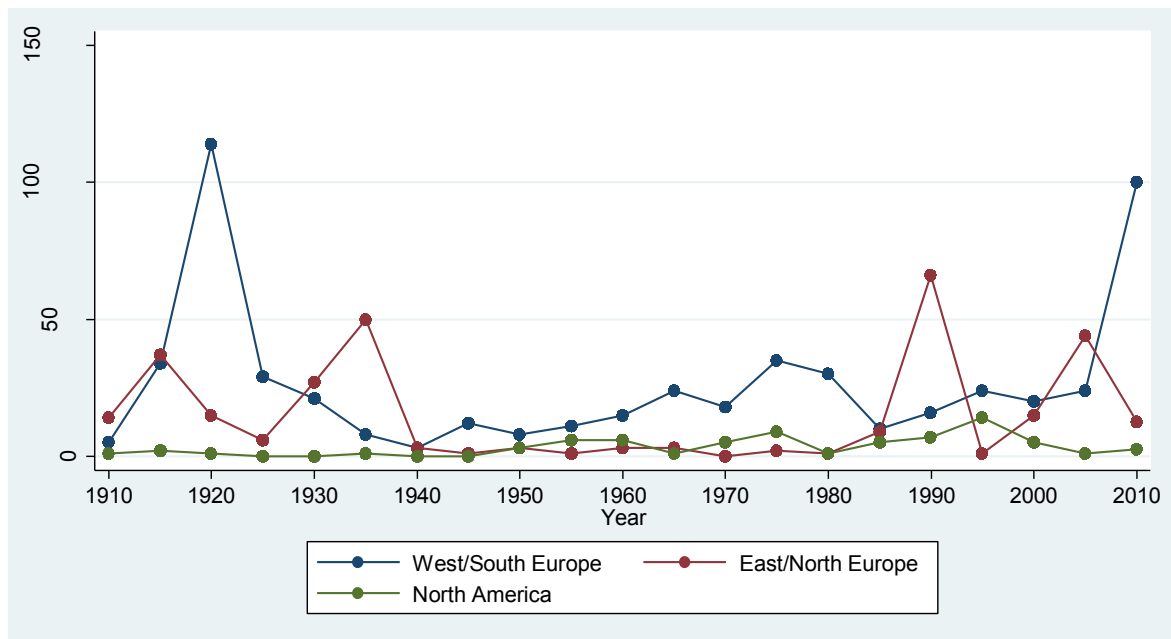
hegemonic crisis. If the first sign of the US hegemonic crisis - growing discontent against the promises of the US hegemony - had a role in the creation of the nationalist revival of the late 1960s, nationalist eruptions of the 1988/1992 period after the initial intensification of the inter-great power struggle and arms race - which contributed to the dissolution of the USSR - was its second sign. Although the collapse of the USSR has widely been recognized as the victory of the USA and western "liberal" capitalism, it was quite the opposite. The collapse of the USSR did not bring the long anticipated "end of history". Instead it further accelerated the decline of US hegemony, escalated the financial expansion process, intensified inter-enterprise rivalries and started to unleash a series of social and political conflicts on a world-scale. In short, collapse of the USSR started to unleash a number of forces which had contributed to rise of state-seeking movements during previous epochs of financial expansion processes in capitalist world history. Thus since the collapse of the USSR, we are living in a political-economic environment which has become more fertile for state-seeking movements. And this process which is not yet over. Hence, the trajectory of state-seeking movements of the 21st century is contingent upon how the crisis of the US hegemony unfolds.

Increase in State-Seeking Movements since 1990s

State-seeking movements in the post-1990 period did not decline. The frequency of these movements in the post-1990 period remained very high compared to their frequencies during the US-led material expansion period (see Figure VII-3 in Chapter VII). Furthermore, in the last decade, some of these movements started to intensify further. Before we discuss the dynamics of this intensification, we first need to explain the main locations of these post-1990 wave of state-seeking activities.

Among the European and North American countries, for instance, the rise of state-seeking movements is most explicit in West/South Europe and to some extent in Eastern Europe. Especially since 2005, there is a rapid escalation in state-seeking activities in West and South Europe. Furthermore, state-seeking movements are still active in Eastern Europe. Compared to these two regions, state-seeking activities in North America remain low, although there is significant increase in state-seeking movements in the region after 1990.

Figure VIII-4: State-Seeking Movements in Europe, 1910-2012

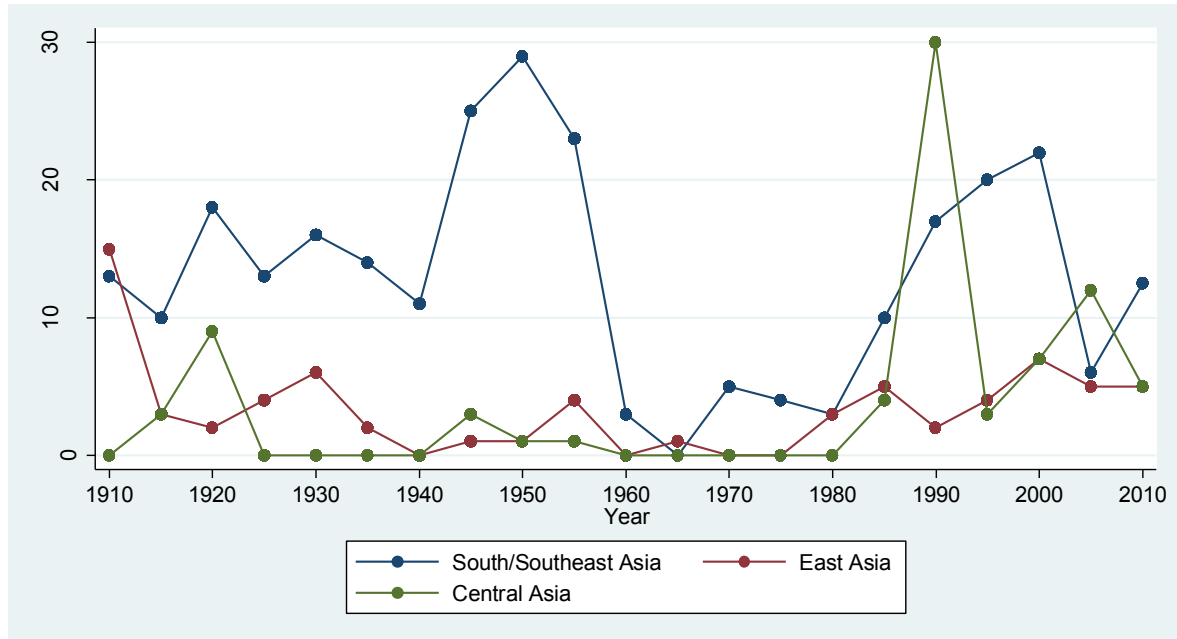


Source: SSNM Database.

There is also an increase in state-seeking movements in Central Asia, South/Southeast Asia and East Asia. In Central Asia, which covers the territories of the former USSR, there are two explicit waves of state-seeking unrest. The first one belongs to the 1990s and the second one belongs to the 2005-2010 period. In a way this movement is similar to the pattern of Eastern Europe. Escalation of state-seeking movements is also visible in East Asia and South/Southeast Asia. In East Asia, state-

seeking movements reached the same high level of the 1930s and in South and South/East Asia, we can see the post-1990 wave appears to be the second largest wave of state-seeking movements since decolonization in the 1950s.

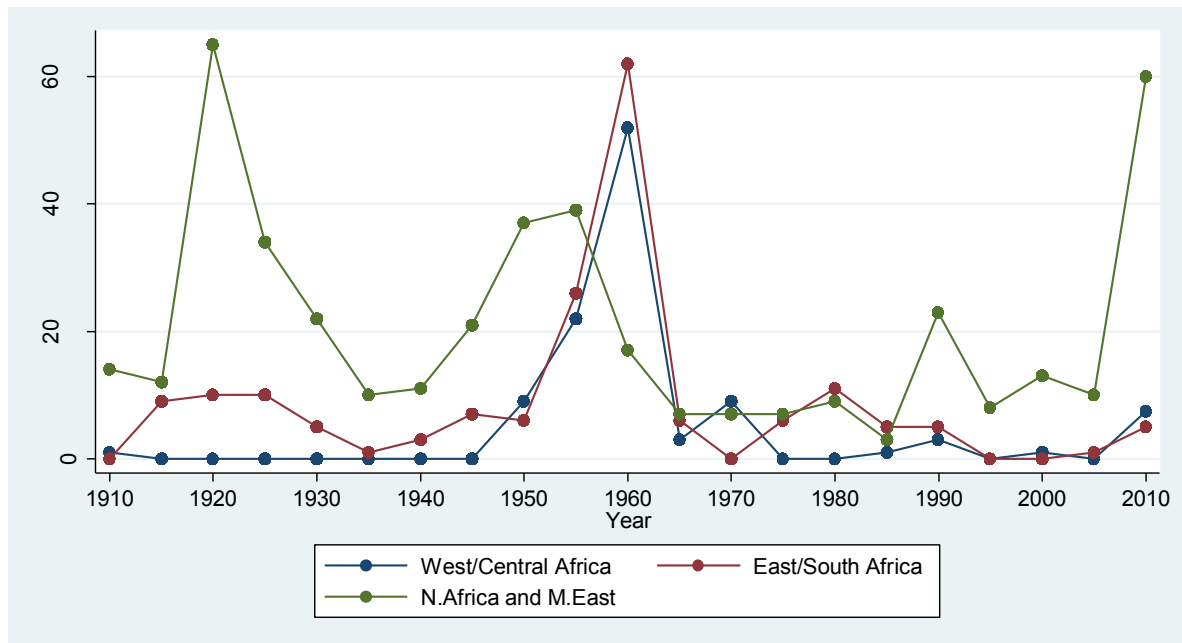
Figure VIII-5: State-Seeking Movements in Asia, 1910-2012



Source: SSNM Database

In the territories spanning from Africa to the Middle East, the most rapid intensification in state-seeking movements is in the North Africa and the Middle East region. There, the post-1990 wave seems to be almost as high as its level during the First World War and the 1945-1955 period, when the majority of the nations in these territories gained their independence. In East and West Africa, there is not a significant increase in state-seeking activities since decolonization. Although the figure below reveals a slight increase in the mentions of state-seeking activities after 2005, it is not comparable to the increase in North Africa and the Middle East.

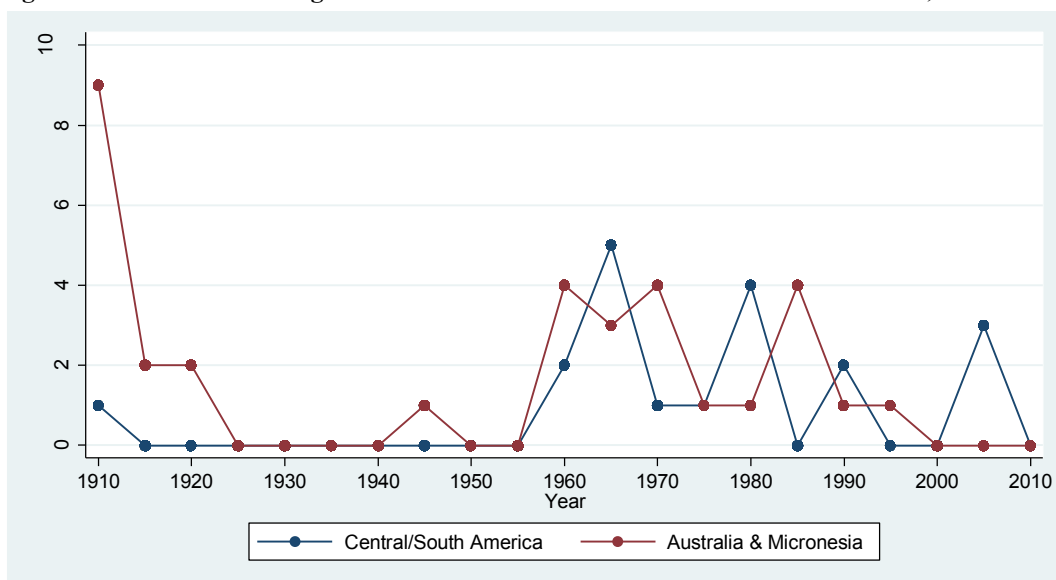
Figure VIII-6: State-Seeking Movements in Africa and the Middle East, 1910-2012



Source: SSNM Database.

Finally, state-seeking movements in Central/South America and Australia remains weak. Although there are sporadic mentions about separatist and secessionist activities in Central/South America since 1990, their level is still low compared to the 1960-1985 period.

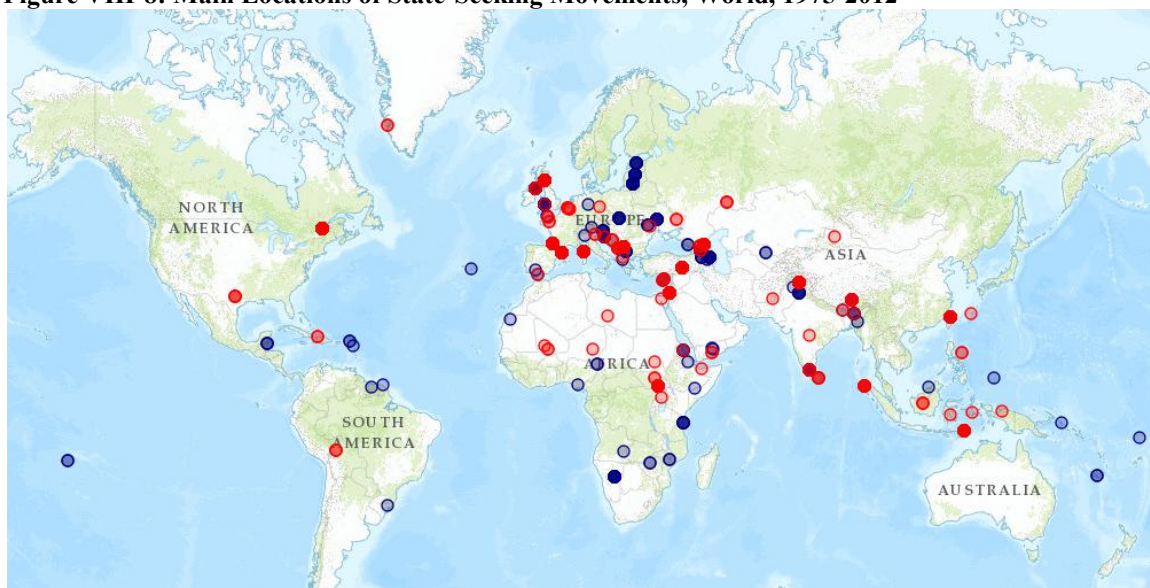
Figure VIII-7: State-Seeking Movements in Central/South America and Australia, 1910-2012



Source: SSNM Database.

Looking at these figures as a whole, we can say that in the post-1990 period there is a general intensification of state-seeking movements especially in (1) Western and Southern Europe, (2) Middle East and North Africa, (3) Eastern Europe and Central Asia and (4) South and South East Asia. Figure VIII-8, below, shows the main locations of state-seeking movements of the world between 1975 and 2012, distinguishing between movements before and after 1995. As this map reveals, in the post-1995 period, state-seeking movements are strong in Western and Eastern Europe, the Middle East, South/South East Asia. There are also state-seeking movements in East Africa, West Africa, East Asia and North America. As Figure VIII-8 shows, we are living in a world where the desire to establish independent states is by no means over. The SSNM database alone records 85 distinct state-seeking movements since 1975. But the SSNM database is not designed to provide a comprehensive list of all state-seeking movements. It is designed to provide a reliable indicator for comparing state-seeking movements across time. Thus, this is only a partial list.

Figure VIII-8: Main Locations of State-Seeking Movements, World, 1975-2012

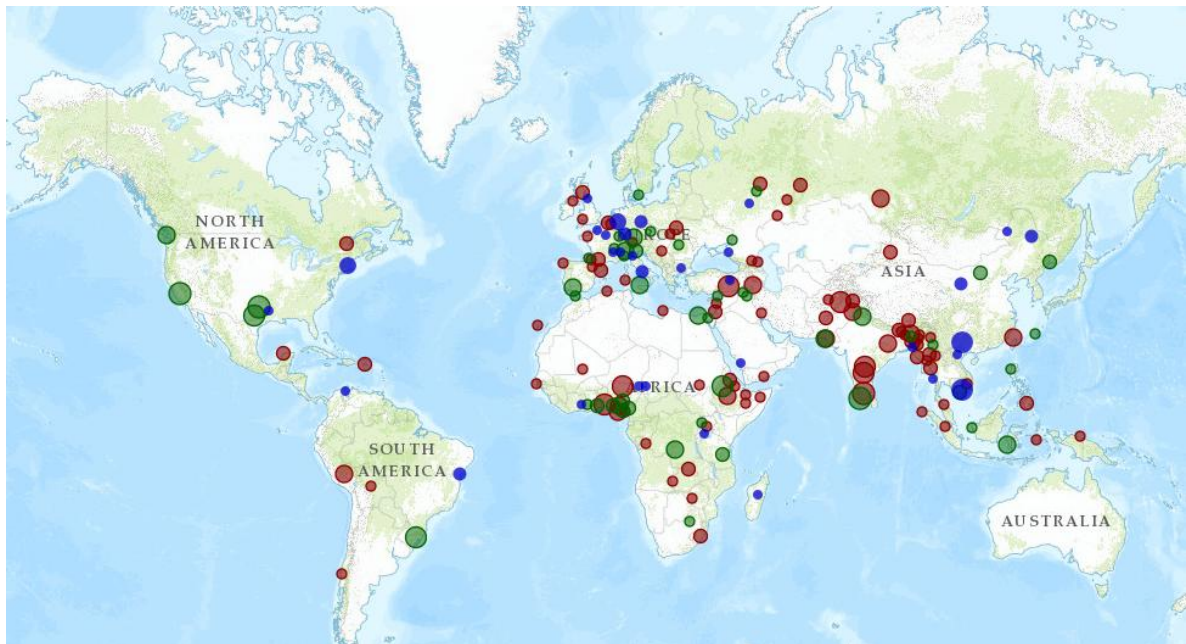


Source: SSNM database. Blue circles indicate state-seeking activities during 1975-1995 period and red circles indicate state-seeking activities during 1995-2012 period.

In an attempt to provide a comprehensive list of all "stateless nations" in the world, James Minahan (2002) compiled a 4-volume encyclopedia titled *Encyclopedia of Stateless Nations*. Minahan (2002) used three factors for his selection of "nations": (1) self-identity as a distinct group, (2) display of the outward trappings of national consciousness (e.g. adaption of flag), and (3) the formation of a specifically nationalist organization or political grouping that reflects its claim to self-determination. Based on this definition he identified more than 300 stateless nations which have been struggling for statehood in 2002. Unfortunately there is no scientific review of this study which evaluates the reliability and validity of the information Minahan presented. Although Francis Fukuyama (1996) published a very short review of Minahan's early edition of his encyclopedia, it does not provide any useful information. And a quick glance to the articles reveals that information he provides is not immune to errors.

In a separate study, in order to see the distribution of state-seeking movements of the 21st century, we checked the validity of the information presented in Minahan's encyclopedia against articles in the international press. We then divided Minahan's nations into three groups (Karataşlı, Aktaş, Fidan, & Şentürk, 2012). Figure VIII-9 maps our reconstruction of these stateless nations. In our categorization, the first group of stateless-nations (marked as red) includes nationalist movements with a high level of mobilization and state-seeking activities. The second group (marked as green) includes movements with a nationalist organization (an organization demanding secession) but they have low levels of mass mobilization or nationalist activity. The third group (marked as blue) includes those which existed in Minahan's study, but neither their activities nor organizations were visible in the international press.

Figure VIII-9: Map of Stateless Nations of the World, 2002



Source: Karataşlı *et al* (2012). This map summarizes geographical distribution of stateless nations in Minahan's (2002) *Encyclopedia of Stateless Nations*. Movements with high level of mobilization and/or high level of state-seeking activity are marked as "red". Stateless-nations which have low level of mobilization or activity but an explicitly nationalist organization demanding independence or autonomy are marked as "green". Stateless-nations which do not fit these criteria but still exist in Minahan's database are marked as "blue". Stateless-nations whose populations are below 1 million are *not* shown. Marked circles are the main locations of each movement. Areas of the circles are weighted by the population of the stateless nations according to Minahan's articles.

Despite all differences between Minahan's study and the SSNM database, we can see a similarity between Figure VIII-8 and Figure VIII-9. There is a high concentration of state-seeking activities in Western Europe, South and Southeast Asia, and in the Middle East. Despite the decline of the USSR and the Eastern bloc countries, state-seeking activities persist in Central Asia and Eastern Europe as well. Figure VIII-9 suggests that state-seeking activities in Western and Eastern Africa may be much higher than our original estimates.

There is a third source which we can utilize to understand the geographical distribution of state-seeking movements of the 21st century. In 2000, Hewitt and Cheetnam (2000) compiled another encyclopedia, *Encyclopedia of Modern Separatist*

Movements, which provided articles about active separatist movements. Hewitt and Cheetnam identified 132 separatist movements which were still active as of 2000.

Figure VIII-10: Map of Contemporary Separatist Activities, 2000



Source: Author's reconstruction from Hewitt and Cheetnam (2000)

A reconstruction of the geographical distribution of these separatist movements illustrates a similar pattern. Today there is a high concentration of movements in Eastern and Western Europe, Transcaucasia and Central Asia, South and Southeast Asia and East Africa. All of these figures underline that the world we are living in is by no means immune to state-seeking activities. On the contrary, in our world, there are probably more stateless nations than so-called "nation-states". Furthermore, in many parts of the world, these state-seeking activities are rapidly increasing.

Macro Dynamics of State-Seeking Movements in the 21th Century

But why have these movements been rising since the 1990s? What has changed in the last 25 years? There are a number of interrelated factors which must be taken into account. And, of course, each state-seeking movement has a unique story of its own.

However in light of our conceptual/theoretical framework and the historical analysis we pursued in this study, we can see that the effects of financialization and hegemonic crisis on state-seeking movements are coming into play now. These effects are in many ways similar to those we have observed in each previous systemic cycle of accumulation. However, in the US case this process is not yet complete. But we can still sketch out some of its key properties. Below I will underline four closely interrelated processes.

Direct Effects of the Collapse of the USSR

The first process we need to underline is directly related to the collapse of the USSR. The relationship between the financial expansion process in the 1970s and the collapse of the USSR is not straightforward. Given the decline in economic growth, the need for investment, the escalating arms race and inter-great-power rivalry in the 1970s, the collapse of the USSR can be seen as an early result of financialization. But this relationship is not clear. What is clear is that the collapse of the USSR was critical in the rise of state-seeking movements in Eastern Europe, Central Asia and the Middle East.

As the post-1990 period revealed clearly, the formation of dozen new states in Eastern Europe and Central Asia was not able to solve "national problems" in these lands. The establishment of new states created new national problems and many of these problems are not over. When Socialist Federal Republic of Yugoslavia (SFRY) dissolved in 1991/92, a number of new states emerged in the region as a result of a series of independence wars. Within ten years, Slovenia, Bosnia and Herzegovina, Croatia, Macedonia, and Federal Republic of Yugoslavia were the new sovereign states in the Balkans. The Federal Republic of Yugoslavia (FRY) consisted of The Republic of Serbia

and The Republic of Montenegro. The Montenegrin population did not want to be a part of this federation. To contain this problem FRY even loosened its central system and became a union of "Serbia and Montenegro" in 2003. But this solution did not work. Montenegro seceded from Serbia in 2006. Now, the Albanian and Serbian populations in Montenegro territories are resisting against this new regime.

Likewise, Serbia consisted of two autonomous provinces. "Kosovo and Metohija" and Vojvodo. Kosovars declared their independence during the dissolution of the Socialist Federal Republic of Yugoslavia in 1991 but this declaration was never recognized. The Kosovo Liberation Army took up arms again in 1998 and started the Kosovo war. Until 1998 KLA had been regarded as a terrorist organization by the US government. In 1998, however, the US no longer saw KLA as a terrorist organization and decided to intervene in the Kosovo conflict. The US and other NATO forces fought against Yugoslavia in this war and helped Kosovo to unilaterally declare its independence in 2008. Yugoslavia/Serbia never recognized Kosovo's independence. But the US and other NATO powers did. Today Kosovo's recognition still remains an international problem, especially for states who are concerned about their own large reserve of "stateless nations". The majority of Asian countries (including China, India, Russia), Latin American countries (including Brazil, Argentina and Venezuela) and many African countries have still not recognized Kosovo's independence.

These nationalist problems are not confined to Eastern Europe either. Abkhazians and South Ossetians in Georgia; Transnistrians and Gagauz people in Moldova; Nagorno-Karabakh in Azerbaijan; Karakalpaks in Uzbekistan; and Chechens, Udmurts, Ingushs and more than twenty other national groups in contemporary Russia still demand a state

of their own. It seems that there is an escalation in state-seeking movements in Central Asia since the collapse of the USSR. This escalation is not limited to the territories of the USSR either. The dissolution of the USSR in 1990s and the emergence of new Turkic states in its Western border, for instance, had an important role in the revival of state-seeking movements in the Xinjiang region of China (a.k.a. "Uighur" or "East Turkestan").

We cannot easily dismiss these movements (e.g. South Ossetians, Ingushs or Udmurts) for their small sizes or populations. After all, Kosovo provides with a fresh example of how a small populated nation can unilaterally declare and gain its independence if it finds some external support. Intensification of the inter-state rivalry in these regions, thus, provides new opportunity structures for these movements. In 2008, for instance, the Russian government backed South Ossetia and Abkhazia against Georgia and recognized them as sovereign states. The main problem in this case is that this recognition was not supported by the US and other Western powers which act as her allies. Thus, today if we see Kosovo as an independent nation but not Abkhazia or South Ossetia, it is because the Russian Federation is not the USA. As we have seen in the other hegemonic cycles, recognition by the hegemonic power is critical for sovereignty in the world we are living in.

Financial Crisis, Exit Strategies and State-Seeking Movements

The collapse of the USSR further intensified the US financial expansion process, "removed the last trappings of the post-1945 geopolitics and so readied the new Great Transformation for full take off" (Derluguian G. , 2001, p. 20). Without the communist

threat, the USA more easily pursued and suggested economic growth strategies which do not consider any sort of redistribution to the lower classes. Neoliberal globalization did not start in the 1990s, but with the collapse of the communist regimes it declared its victory (Fukuyama, 1992). But this victory was extremely short lived. Indeed, it was these policies which paved the way for the global turbulence that set the stage for the terminal crisis of the US hegemony in the early 21st century. This time, multiple crises hit the USA and Europe (Silver & Arrighi, 2011).

In previous systemic cycles of accumulation, we saw how economic crises during financialization processes pushed states to centralize and to increase taxes. These policies, in return, created an intensification of social and political protests some of which took the form of secession. Similar processes are also taking place today. But there are some distinctive features of our age that may further intensify state-seeking movements of this era of financialization. As we have underlined at the beginning of this chapter, state-seeking movements of the 1960s and 1970s in Europe were largely contained through brute force combined with various decentralization policies. In other words, new "political compacts" were established under autonomy agreements. With these crises, many European states started to violate social/political compacts established in the 1970s. The richest region of the Spain, Catalonia, for example, is a primary location of state-seeking nationalist movements in Europe today. In Catalonia state-seeking movements are becoming stronger because, as a Catalan politician puts it,

Europe is tired of paying for the south and Catalonia is tired of paying for Spain. [...] No region in Europe pays 8 per cent of its GDP to the government. Probably this is the best moment for us - as Einstein said, the world only changes through crisis (Charter, 2012, p. 35).

Not long ago, Spain and its indirect rule solution were being extolled as a textbook example of how nationalist problems could be solved. However, the financial crisis turned the tables by pushing the Spanish government to centralize. These attempts weakened the autonomous status of Catalonia, and Catalan nationalists managed to counter these attempts by mobilizing their population against the Spanish government. In 2012 Catalans organized a strong demonstration for independence in Barcelona and they decided to call an independence referendum for 2014 (Tremlett, 2012, p. 31). State-seeking movements are increasing not only in Catalonia, but in other parts of Spain as well. Together with the Catalan movement, for instance, the Basque state-seeking movement is also recovering. Although Batasuna also dissolved after the liquidation of ETA (Tremlett, 2013, p. 14), Basque state-seeking nationalists, now under the "Bildu coalition", have been receiving significant electoral support (Minder, 2012, p. 18).

In a way, state-seeking movements of our age are turning *developmentalist* state-building strategies upside down. In previous systemic cycles of accumulation we saw different versions of this pattern. Protestant state-seeking movements had turned *cuius regio eius religio* principle upside down by justifying their need for independent statehood based on their religious differences. Democratic movements during Dutch hegemony had turned state-building strategies of absolutist monarchs upside down. While the "nation belonged to the sovereign" in absolutist regimes during Dutch hegemony, at the end of the 18th century, state-seeking movements claimed that "sovereignty belonged to the nation". The linguistic based state-seeking movements that emerged during the crisis of the British hegemony was an opposition to the state-building strategies which were based on linguistic unification. Based on these analogies, we can

argue that a similar version of this dialectical relationship between state-building strategies and state-seeking activities are taking place before our eyes. Because a significant portion of state-building strategies during US hegemony were based on buying the consent of the masses through "development" and "redistribution" policies, today many "nations" can easily discuss the benefits of secession on purely economic grounds. Hence, as Derluguian observes, the rise of secessionist movements and other kinds of ethnic politics in recent years did not arise in a direct reaction to globalization, instead "these were desperate and particularist attempts to cope with the worldwide wave of dismantling the developmental regimes" (Derluguian, 2013, p. 177).

In their propaganda for secession, for instance, the Scottish National Party (SNP) mainly emphasizes the economic benefits Scottish people will receive if they are provided with the exclusive rights over the revenues from the sale of North-sea oil. Oil ownership, SNP (2009) argues, will boost incomes of Scottish people by 30%, provide them jobs and reduce unemployment. Although SNP's emphasis on bread-and-butter issues is not new (Breuilly, 1982, p. 321; Nairn, 1977), the post-2007 financial environment in Europe created a platform on which SNP's message was favorably received by more people. In 2011 SNP won the majority in the Scottish parliament and as of now they are planning to hold a referendum for independence in 2014. Welsh nationalists have also been following a similar strategy. They pursue their propaganda for independence by focusing on the economic benefits of secession. *Plaid Cymru* also underlines that if Wales had become an independent state in the European Union in 1990, residents of Wales could have been 40% richer now (Morris, 2011, p. 5).

This process is not a direct continuation of the 1960 revival. As we argued, state-seeking movements of the late 1960s and early 1970s were reactions against the unfulfilled promises of the era. Thus many state-seeking movements of the late 1960s and early 1970s were parts of the global left. Today the discourse of "not paying underdeveloped regions anymore" is becoming more common than these "unfulfilled promises". Thus these state-seeking strategies are also easily utilized by the right and far-right movements as well. Padania in North Italy is a classical example of this trend. Today *Lega Nord* believes that "Padania is one of the most economic advanced regions in Europe [but] its economic prospects are being hampered by its connection with Rome and the less developed *Mezzogiorno*" (Hechter, 2001, pp. 119-120). *Lega Nord* calls on the people of Padania to reject to "share the burden of paying the massive debt of Italy created by high government spending" and underline that "taxes of rich northerners shall not be diverted to the impoverished regions anymore" (Hechter, 2001, pp. 119-120). *Vlaams Belang* follows a similar political strategy for secessionist mobilization in Belgium (Williams, 2012). There is a growing resentment that taxes paid by Flemish people are being used to support large numbers of unemployed people in Wallonia; and Flemish nationalists make use of this "injustice" as a main part of their propaganda for secession from Belgium (Minahan, 2002, p. 611).

In the midst of the global-level financial insecurity, control over resources are becoming more important than ever and sometimes, discovery of new resources become the basis for a rise in secessionist movements. After the discovery of oil reserves in the melting icebergs, thanks to global warming, Greenlanders have also recently started to follow in the footsteps of Scotland. Today the idea of secession from Denmark is a real

possibility for Greenlanders and their demands for secession are increasing (Boyes, 2008; Brown P. , 2007).

Latin American Style Self-Protection

Although the examples we provided above are from European countries, control over resources (oil, mines, water etc) have played an important role in state-seeking demands in different parts of the world. It is not a coincidence that maps of nationalist conflicts often coincide with the maps of oil reserves. Yet, the relationship between these resources and nationalism is a complicated one. Rather than summarizing how different movements in different parts of the world were affected by an increasing competition for resources in the midst of a global financial meltdown, I will discuss the trajectory of state-seeking movements in a region, where secessionist movements have long been weak.

Latin America was one of the first regions where neoliberal policies were implemented and it was hit by the debt crisis in the early 1980s. In Latin America neoliberal policies which undermined labor rights and commodified natural resources were originally countered by a large coalition of social movements including working classes, peasants, indigenous and ethnic communities. Some of these movements resembled state-seeking movements of the autonomous communes and provinces that we have recurrently observed throughout historical capitalism. From 1994 onwards, for instance, the Zapatista movement (Chiapas) started to establish autonomous municipalities and regions in Mexico (Rus, Castillo, & Mattiace, 2003). These autonomous zones and regions - such as "Autonomous Region of San Juan Cancuc" or "Pluriethnic Autonomous Region

of Tenejapa" or "Autonomous Region of Tierra y Libertad" - were in many ways very similar to communes of the early medieval era. Similar to the earlier communes the boundaries of these new entities were highly fluid and they do not aim to take control over the state (Harvey, 2005, p. 199). Instead they set up their own unofficial territorial logics of power (Harvey, 2003, p. 189). But the aim of their movement was countering neoliberal policies of the Mexican state and increasing indigenous control over local resources (Hewitt & Cheetnam, 2000, p. 329).

Although the Zapatista movement was a distinct type of opposition movement in Latin America, it was not the dominant type. In Latin America, self-protection against the forces of market liberalism occurred mostly through social-democratic take-over of Latin American states. Social democratic/socialist governments came to power in Brazil, Venezuela and Bolivia. These governments pursued alternative redistributive policies including nationalization of natural resources. Interestingly enough, the same tide that brought Cardoso, Lula, Chavez and Morales into power also triggered the richest regions of Brazil, Venezuela and Bolivia to counter the existing redistributive policies of the centralized states with threats of secession. In Brazil, for instance, since the 1990s *Gauchos* of the three southern states of Brazil - which have Brazil's highest average incomes - started to consider secession as a feasible solution to their political-economic problems (Minahan, 2002, p. 660). This is how the independence movement to establish the Republic of Pampas was created in 1992. As Rocha (1992) underlines, the growing resentment towards the central government started to provide political opportunities for state-seeking political entrepreneurs in soya-rich Southern regions of Brazil.

Gauchos have always been proud of their differences and in recent years growing resentment at the central government has begun to encourage talk of separatism. A recent poll in the three southern states showed 40 per cent in favour of independence. The gauchos particularly see themselves as hard-working taxpayers neglected by a corrupt and inefficient central government run by a court of north-easterners, a Brazilian Versailles (Rocha, 1992, p. 3).

Since Hugo Chavez came into power and started a redistributive economic policy based on oil resources of Venezuela, Zulians of the oil-rich northern regions started to demand autonomy and to consider secession as a political possibility if their demands are not met (Minahan, 2002, p. 2113). Similarly *Crucenos* of Santa Cruz started to mobilize against the central government for further autonomy as fuel prices rose. Santa Cruz was also the most affluent region in Bolivia. And the leaders of the movement did not believe in central government and they did not want to pay for less developed regions. In 2005, when they managed to claim an important victory for further autonomy, they said "today we have a historic victory and the defeat of a centralist state" (Forero, 2005, p. 3).

As we mentioned in Latin America state-seeking movements have long been weak. However since the 1990s, alternative political communities are being imagined either by the richest regions which seek to avoid central governments and to preserve their privileged control over resources or by indigenous people (like Aymaras of Bolivia) who are asserting their right to autonomy and independence more strongly than ever.

Destabilization of Existing State Structures

Emergence of state-seeking demands and grievances are not sufficient for state-seeking movements to be able to challenge their rulers. In previous systemic cycles, intensification of state-seeking movements occurred especially during inter-state wars and/or simultaneous with the political revolutions which destabilized existing state

apparatuses. Hence, whether or not this current wave of state-seeking movements will surpass previous ones is largely dependent on the escalation of inter-state rivalry, emergence of wars among great-powers and other sorts of political upheavals that might shake existing state structures.

Until now, the decline of US hegemony has not unleashed wars among great powers. But we are not living in a period of perpetual peace and order, either. On the contrary, one of the characteristics of the post-1990 period is increasing disorder and destabilization of existing states. Among all complex set of factors, two dynamics deserve special attention: (1) Increasing military operations, "humanitarian" interventions and wars conducted by the USA since the 1990s. (2) Intensification of revolts and political revolutions in the first decades of the 21st century. Geographically, both dynamics concentrate around the North African and the Middle Eastern territories.

US Military Operations and State-Seeking Movements

Similar to the British-led financial expansion of the post-1870s, during the contemporary era of financialization, the terms "imperialism", "new-imperialism" and "empire" came back to the literature (Go, 2011, pp. 206-234; Harvey, 2003; Johnson, 2004; Steinmetz, 2006; Arrighi, 2007). After the US-led material expansion, there was a rapid escalation in the frequency of military interventions by the US army (see Table VIII-1). As many scholars argued, this intensification of imperialist aggression - mostly in the form of military operations and interventions - was directly related to declining hegemonic capacities of the US and to various aspects of financialization (Harvey, 2003; Steinmetz, 2006; Martin, 2007; Arrighi, 2007). In the course of the US-led financial

expansion, US military operations "became progressively more frequent; they became more prolonged and more intense; and more of them were carried under the fig leaf provided by the protection of human rights" (Jha, 2006, p. 201).

Table VIII-1: Rate of U.S. Annexations and Military Interventions by Historical Phase

Number of Years	Phase	Years	Annexations & Interventions	Annual Rate
65	British-led financialization	1874-1939	88	1.35
27	Height of US-led material expansion	1946-1973	18	0.67
30	US-led financialization	1974-2004	53	1.77

Source: The figures are from Go (2011: 212). We changed Go's descriptions of "historical phase" according to Arrighi's distinction of periods of material expansion and financialization. Also see Karataşlı and Kumral (Forthcoming).

The collapse of the USSR and Saddam Hussein's invasion of Kuwait in 1990 provided the USA the perfect opportunity to demonstrate that she was the greatest military power of the world (Harvey, 2003; Arrighi, 2007). Starting with the First Gulf War, the US government led a number of "humanitarian missions" and interventions around the world (Arrighi, 2007, pp. 178-180). Until 9/11, US forces enthusiastically took part in the First Gulf War of 1990-91, "Humanitarian Crisis" in Somalia 1992, "Humanitarian Operation" in Bosnia (1992-95), and the Kosovo War (1998-99). After 9/11, the US-led War on Terror led to the War of Afghanistan (2001-present) and the Invasion of Iraq (2003-Present). As a part of the "War on Terror", since 2000 the US government made a series of military operations in Pakistan, Yemen, Kashmir, Northern Mali and in Horn of Africa.

This [was] not, however, the limit of neo-conservatives' imperial ambition. [The US government] have already begun to speak of Iran (which after the occupation of Iraq will be totally surrounded by the US military and clearly threatened) and have launched accusations against Syria that speak of 'consequences' (Harvey, 2005, pp. 197-198).

Although the US was not at the forefront, we can also add the Libya intervention of 2011 and the recent Mali intervention of 2013 to this long list. For our purposes it is

important to underline that without exception in all of these territories, we can find very strong state-seeking movements. If we examine how each movement is affected by these operations, we will see an extremely interesting and complex picture.

The First Gulf War, for instance, created an opportunity structure for Iraqi Kurdistan to gain *de facto* autonomy. Although Kurds in Iraq managed to gain *de jure* autonomy as early as 1970 (Harris, 1977, pp. 118-120), this autonomy was never implemented (Romano, 2006, p. 193). After the defeat of the Iraqi forces at the end of the Gulf War, however, a Kurdish uprising in Sulaymaniyah managed to challenge Iraqi state. When the Iraqi government started to suppress this uprising a US-led coalition declared a no-fly zone in North Iraq (Sluglett, 2011, p. 541). This was when Iraqi Kurdistan started to function *de facto* independently (Romano, 2006, pp. 204-212; Sluglett, 2011, p. 541). Richard Lachmann argues that "Kurdistan won autonomy in 1991 only because the US forces in the Middle East decided to restrain Iraq from suppressing the rebellion" (Lachmann, 2010, p. 184). In this case, the US military intervention provided opportunities for mobilization of Kurdish state-seeking movements.

The case of Somalia was different. One of the forces that intensified the Somali humanitarian crisis was the *Isaaq* state-seeking rebellion which struggled to overthrow General Barre's regime. The *Isaaq* rebellion was a state-seeking movement which attempted to secede from Somalia and to establish a new state within the former territories of the British Somaliland (Kathryn, 2011, p. 501)². On May 1991, *Isaaq* leader Abdurrahman Ahmad Ali declared the independence of the "Republic of Somaliland" but

² Under colonial rule, Somalis were divided into British Somaliland, Italian Somaliland, French Somaliland, Kenya and Ethiopia (Kathryn, 2011)

"the sovereignty of the region - based on a distinct colonial experience, extreme economic exploitation, and the human suffering of the Somali civil war - was not recognized internationally" (Minahan, 2002, pp. 809-810). When the US forces mobilized the United Nations for humanitarian intervention to Somalia, it refused to recognize the existence of Somaliland, which was often said to be the only functioning state in Somalia at the time (Kathryn, 2011, p. 501).

Bosnia and Kosovo were state-seeking movements trying to secede from Yugoslavia, which gained their independence and recognition mostly due to similar interventions. As we have underlined before, US (and NATO powers) recognized Kosovo as an independent state but a substantive number of states find this unilateral declaration illegal.

The effects of the "War on Terror" in Afghanistan - which continues since 2001 - on state-seeking movements have been mostly felt in Pakistan, which is trying to contain a number of state-seeking movements including the Baloch movement. Since the Afghanistan War started and Pakistan decided to support the US operation, the Baloch nationalists intensified their activities. During the War on Terror, "taking advantage of the rapidly changing (and deteriorating) situation, the Baloch movement gained momentum, popularity, and support, locally and internationally, setting up a government in exile in 2006" (Alamgir, 2012).

The invasion of Iraq in 2003 also had paradoxical consequences for state-seeking movements in Iraqi Kurdistan. At first, it provided an unprecedented opportunity for the Kurds to mobilize against the Iraqi state. Kurdish forces also fought with US forces

against the Iraqi government and they eliminated rival state-seeking movements (i.e. Ansar al-Islam) in the region (Romano, 2006, p. 212). The overthrow of the existing Iraqi government, however, did not lead to the declaration of Kurdish independence. True. When Saddam Hussein's regime fell, Massoud Barzani of the KDP (Kurdistan Democratic Party) became the President of the Kurdish Regional Government. But the collapse of the existing state apparatus in Iraq made PUK (Patriotic Union of Kurdistan) leader Jalal Talabani the President of the new Iraqi government. Moreover because the Iraqi army was not disintegrated, the Kurdish *peshmerga* forces started to establish the backbone of the new Iraqi army (Romano, 2006, pp. 212-214). The Kurdish forces were now integrated into the new Iraqi government structure (Halliday, 2004).

As a final example, the recent Libya intervention (led primarily by France, this time) affected the trajectory of the Sanussi movements in Cyrenaica. The Sanussi state-seeking movement had emerged in the aftermath of World War II. Writing in 1948, Evans-Pritchard observed that the Sanussi movement in Cyrenaica was transforming into a nationalist movement from a religious one. Under Turkish rule, Evans-Pritchard (1948) wrote,

nationalist tendencies [...] were latent [...] But when the Italians sought to subjugate the Bedouin their resistance [...] manifested itself as a nationalist movement. [...] The final stage in the transformation of a religious revival into a political movement was brought about by the clash of European arms. Amid the roar of planes and guns the Bedouin learnt to see themselves more clearly as a single people, the Sanusi of Cyrenaica, in a wider world, and came to be regarded as such by those engaged in the struggle (Evans-Pritchard, 1948, pp. 228-229).

In 1949, Idris al-Sanussi - backed by British aid - proclaimed Cyrenaica as an independent emirate. When the Kingdom of Libya was established in 1951, the Emirate of Cyrenaica became a part of the Kingdom of Libya, started to rule over a much larger

territory than claimed by Cyrenaica, and Idris al-Sanussi became its first king. When the Sanussi Dynasty was overthrown by Muammar Gaddafi in 1969, the Cyrenaican movement became a state-seeking movement in Libya. Since the 1970s, the Cyrenaica region occasionally experienced uprisings against the Libyan rule (Minahan, 2002, p. 1660). However, starting with the Libyan civil war and the international military intervention, Cyrenaicans also found an opportunity to establish their (semi)autonomy in Libyan territories (Stephen, 2012, p. 19).

More examples from Kashmir, South Yemen and Tuaregs can be provided, but it is not necessary for our purposes. All of these examples underline that the military operations led by the Western great powers, first and foremost the USA, have been intensifying and they have been creating as many opportunities as risks for contemporary state-seeking movements.

Revolts, Revolutions and State-Seeking Movements

But existing foreign interventions and military operations are not the only dynamics that destabilize existing state-structures. Like previous periods of financial expansion and hegemonic transition, in the contemporary era there has been an intensification in the system-wide revolts, rebellions and revolutions, which in turn, create opportunity structures for state-seeking movements. In the late '90s and early 2000s, the main location of these movements was Latin America³. After the global financial meltdown in 2007/08, various social revolts and revolutions started to take place

³ In Latin America, "economic collapse and crisis following the blatant looting of the major economies [...] provoked a wave of popular uprisings, which overthrew incumbent elected neo-liberal officials and administrations in Ecuador (three times), Argentina (three successful times) and Bolivia (twice)" (Petras, 2009).

in Europe and North America⁴. But in terms of its consequences, social revolts and revolutions in North Africa and the Middle East was unmatched. "Arab Spring" was a wave of protests, revolts, revolutions and wars that started in 2010 in North Africa and Middle Eastern territories. This large wave of conflicts overthrew governments in Tunisia, Egypt, Libya and Yemen; caused strong uprisings in Syria and Bahrain; and created major demonstrations and protests in Algeria, Iraq, Jordan, Kuwait, Morocco and Sudan. The 2011 wave of unrest was so strong that scholars like Christopher Chase-Dunn (2013) and Paul Mason (2012) have argued that they should be considered alongside other historic world revolutions such as 1789, 1848, 1917, 1968/89. Parallel to our theoretical expectations, this wave of social movements has already started to contribute the rise of state-seeking movements in a number of different ways.

In the course of these revolts and revolutions which shook the political structure of North Africa Berber activism re-emerged especially in Morocco, Algeria, Tunisia and Libya. Berber revolts took an important part in the overthrow of the Ben Ali government in Tunisia and the toppling of Kaddafi in Libya. In the midst of the "Arab Spring" Berber's secessionist activities have been rising especially in Morocco and Algeria. Likewise, since the popular uprisings of 2011, the South Yemen Movement went through a rapid transformation. With the collapse of the USSR in 1990, North Yemen and North Yemen were unified but the South Yemen movement was trying to secede from Yemen⁵. Since 9/11, the US and most Western powers have been attempting to protect the unity of

⁴ Although demonstrations in Greece, Spain, United Kingdom and the United States have been widely popular, the most important and the least visible of these movements occurred in Iceland, where thousands of people showed up to protest the Icelandic parliament and overthrew the parliament (Morris, 2009, p. 26).

⁵ From 1969 to 1990, South Yemen was ruled by Marxist wings of National Liberation Front, and it had very close relationships with Soviet Union. Thus, the unification was 1990 was important for the US government as well.

Yemen as a bulwark against Al-Qaeda (Time, 2011). Hence it was not the US military operations but the Yemeni Arab Spring that provided a new opportunity for the South Yemeni Movement to organize and mobilize. As Adam Baron (of *The Christian Science Monitor*) observes:

In the former southern Yemen capital of Aden, secessionist leaders who once served jail terms for their political activities openly lead demonstrations, while the pre-unification flag, once forbidden, is a nearly constant presence in the sweltering city's streets. Yemen's Southern Movement has emerged defiantly from the power vacuum caused by last year's uprising against former President Ali Abdullah Saleh. Though the Yemeni government and the bulk of the international community still see Yemen's continued unity, forged in 1990, as nonnegotiable, many emboldened separatists increasingly feel they're on the verge of restoring their independence. (Baron, 2012)

The popular uprising against Saleh and his family created a more fruitful environment in which the South Yemeni Movement can operate. As leaders of the movement put it, the "[South Yemeni Movement] feels that it no longer has to operate secretly [... and] that it can never be boxed in again" (Raghavan, 2012). A more radical transformation took place during the Syrian uprisings that started in 2011. Utilizing the instability in the political environment, Kurds in the Syrian region - a.k.a. Rojava - proclaimed their self rule and gained their *de facto autonomy* in 2012 (Arango, 2012). While the Kurdish *peshmarga* were integrated into the Iraqi state with the 2003 Iraq War, the Kurdish population in the Syrian region took one step forward toward independence with the Syrian civil war. David Hirst (2013) sees the Arab Spring as the third major breakthrough in the road to an independent Kurdish state. As he puts it:

The first of two great breakthroughs in the road towards an independent Kurdish state grew out of the megalomaniac folly of Saddam himself, with his invasion of Kuwait in 1990, and one of its entirely unforeseeable consequences, the establishment of the internationally protected "safe haven" in northern Iraq. The second breakthrough grew out of the new constitutional order ushered in by the US-led invasion of Iraq in 2003. Under it, the Kurds consolidated their autonomy with broad new legislative powers, control of their own armed forces, and some authority over that mainstay of the Iraqi economy: oil. [...] So are the Iraqi Kurds now on the brink of their third, perhaps final, breakthrough, and the great losers of Sykes-Picot about to become, 90 years on, the great winners of the Arab spring? It seems that they await one last thing

- another of those game-changing events, such as the break-up of Syria - that can transform the whole geopolitical environment. (Hirst, 2013, p. 32)

Hirst brilliantly argues that "the great losers in the breakup of the Ottoman empire may be winners in the wake of Syria's civil war and the Arab spring" (Hirst, 2013, p. 32). Actually, many scholars also emphasize that if the Asad regime falls down and Alawites lose their ruling status, we may see a very likely Alawite secessionism in Syria as well (Rabinovic, 2013; Jacobs & Khanna, 2012). In many ways, together with military operations, interventions, social revolutions and rebellions, the foundations of North Africa and Middle East region seems to be fundamentally altering⁶. If we think this phenomenon together with Eric Hobsbawm's argument that the nationalist movements of the 1988-92 period were the "unfinished businesses" of 1918-21 period, the general pattern we are trying to highlight starts to appear in its simplest form. From Europe to North Africa, from Asia to the Middle East, what we have been observing is the beginning of the dissolution of the national forms that were built by the forces that created the US hegemony. Together with the unraveling of the US hegemony, a large number of state-seeking movements that were contained throughout US hegemonic consolidation period have been unleashing and the foundations of "nation-states" which were that shaped by the US hegemony are gradually dissolving.

⁶ All of these dynamics interact with each other in a highly complex set of ways. In the case of Libya, it was political protests which provided the opportunity for France and other Western powers to conduct a military operation to Libya, and helped the Sanussi state-seeking movement. But in Mali, as of 2013, it is the Tuareg state-seeking movement which provides an opportunity for the French military intervention. What is important to underline is that this complex set of interactions increases opportunities as well as risks for state-seeking movements. This fact precisely signals to us that political-economic structures of the world are becoming more open to human intervention. In the previous systemic cycles, this has been a sign of "hegemonic transition".

State-Seeking Movements in the Post-Colonial Periphery

There is a final dynamic we need to examine for a more comprehensive understanding of state-seeking movements of the 21st century. Discussing the trajectory of state-seeking movements in the post-colonial world during US hegemony, we underlined that many postcolonial nations have been dealing with a large number of state-seeking movements since the day they gained their independence. In the course of the 20th century these tensions did not decrease.

This trend is different from the pattern of state-seeking nationalist movements in the territories of the Latin American nations which gained their independence during the period of British hegemony in the early 19th century. As we discussed in Chapter VI, when these settler colonies gained their independence, similar tensions also existed from the 1820s to 1850s. But soon state structures of American settler colonies (both in North America and South America) became relatively stable. In the 1890s, except for Brazil (which had a unique trajectory), there were no state-seeking movements in any of the South American regions.

This did not happen for new nations which emerged after the decolonization of South Asia, South East Asia and Africa. State-seeking movements within the territory of these nations (e.g. Indonesia, Burma, India, Pakistan, Nigeria or Somalia) persisted throughout the 20th century. Instead of a demise, there was even a relative increase in state-seeking nationalist movements. Liberal historians of the post-1945 period tried to explain this as the spread of nationalist ideology to the non-Western world. This explanation is very common and widespread in the literature. Immanuel Wallerstein also

wrote that the "micro-nationalist" movements of the peripheral regions is due to the awakening of political consciousness in these colonies. Wallerstein underlined that the decolonization movement of the 20th century required incredible political mobilization, which

[...] has awakened consciousness everywhere. It will be difficult to put the genie back into the box. Indeed, the main problem is how to contain the spreading virus of micro-nationalism as ever smaller entities seek to claim peoplehood and therefore the right to self-determination (Wallerstein, 1995, p. 121).

Although the spread of nationalist ideology and political consciousness is always a part of the story, these factors alone cannot explain the persistence of state-seeking movements in the post-colonial periphery from independence to the present. After all, the ideas of the French Revolution had also spread to the American continent in the 19th century and political mobilization in the continent had not been less. But there existed a stability in Latin American countries during the British financial expansion period. Hence, the explanation must lie somewhere else.

It has also been argued that the "artificial" territories - drawn by the colonial powers - also created further reactions after these colonies gained their independence. Although this argument is correct, it cannot be used as a proper explanation either. After all, territories of the Latin American nations were also artificial. Almost none of the boundaries of Latin American nations coincided with any ethnic, linguistic or religious distribution of the populations. Furthermore, as our theoretical/conceptual framework implies, we do not assume that national feelings based on language, ethnicity or religion makes any "nation" more "real" or "stronger" than others (see Chapter II). It is not true either that all nationalist tensions are against these artificial boundaries. The case of Somalia is illuminating for this discussion. Under colonial rule, the people of Somali

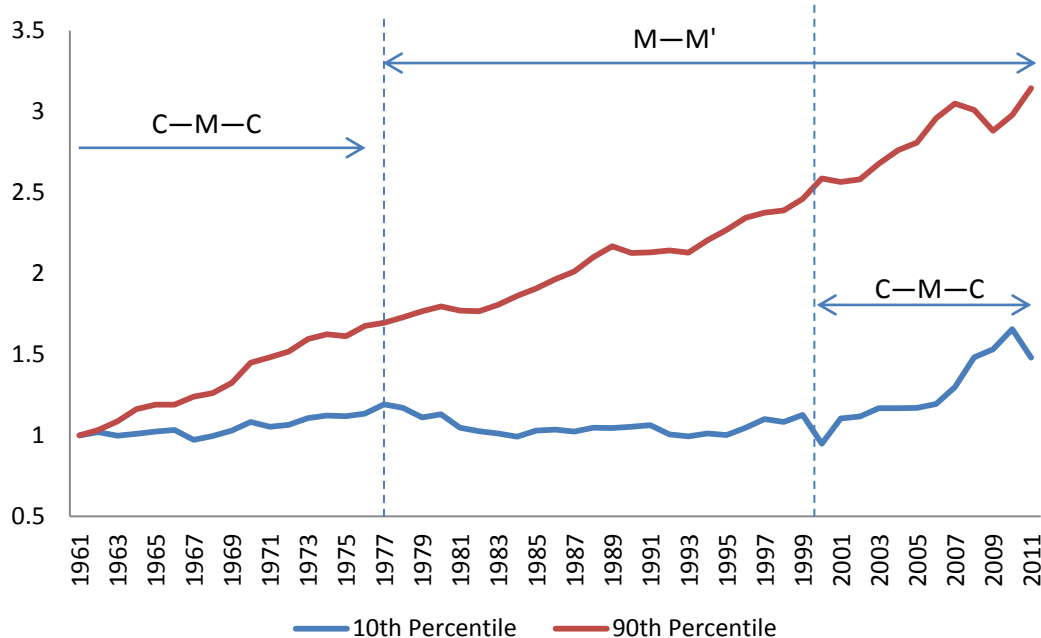
were divided into British Somaliland, Italian Somaliland, French Somaliland, Kenya and Ethiopia (Kathryn, 2011). When Somalia gained its independence in 1960, it largely unified its people. In terms of ethnic, religious and linguistic unity, it became one of the relatively more homogeneous nations of Africa (Kathryn, 2011). As we discussed, the Somaliland movement, which tries to secede from Somalia - does not have any ethnic, linguistic or religious base. The territories claimed by Somaliland are the territories that were under British rule. In this case, then, the Somaliland nationalist movement is not a reaction of a culturally unified group against an artificial territory; but the reaction of an artificial territory to a culturally unified group.

Using our macro-structural framework and theory, we can underline two structural reasons that contribute to the persistence of state-seeking movements in post-colonial periphery. As we have underlined, in all state-formation processes, state-led nationalist movements provide stability in their regions utilizing a combination of "force" and "consent" at a national level. This stability is facilitated when there is a simultaneous stability at the international level. That's why, especially in Europe and North America, periods of stability (and decrease in state-seeking nationalist movements) mostly overlapped with periods of "material expansion" (which provided tools of consent) and hegemonic consolidation periods (which provided international stability).

African, South Asian and South East Asian countries rarely had these conditions. During material expansion periods, they could not accumulate any capital which can be converted into "consent-production". The "Age of Development" (1945-1970) and the "Age of Globalization" (1970/80-2001) provided capital only for core/Western countries yet the condition of the periphery has not changed much until 2000s. The US material

expansion period did not provide anything but a promise for development for these peripheral regions. After the end of the material expansion and the collapse of the USSR, core/Western powers did not even pay lip service to the development of these regions. Since 1989/92, "the fig has fallen, and the emperor is naked".

Figure VIII-11: Relative Change in GNI Per Capita, 10th and 90th Percentiles of the World, (GNIPC in 1960=1)



Source: GNI per capita (constant 2000\$), World Bank. The figure shows $\frac{\text{GNI per capita (year)}}{\text{GNI per capita (1960)}}$ value for 10th and 90th percentile of the world.

These peripheral regions never found an internationally stable environment either. This is not a new story. Even during the "Hundred Years' Peace" of the 19th century, Africa, South and South East Asia were being colonized by the British, French and Dutch empires. In a way, stability in the core countries were established by bringing instability to the periphery. In the second half of the 20th century, although there were no hot wars among Great Powers, during the "Cold War", these peripheral regions were the main foci of constant warfare and inter-elite conflicts. Today, these problems have not changed. All of these factors ("unfinished businesses", "financial crisis", "wars" and "revolutions")

come into play in post-colonial regions and contribute to the state-seeking activities in their territories.

From our perspective, then, what is surprising is not the persistence of political instability in these peripheral regions. On the contrary, under all these unfavorable structural conditions these African, South and South East Asian countries remained very stable. Until 1991, none of them dissolved. Eritrea's independence from Ethiopia in 1991 was the first sign of the changing picture in these peripheral regions. Eritrea's independence had a lot to do with the collapse of the USSR - which had been supporting the Ethiopian state against Eritrea since 1961 - and the indirect support of the US government (Metaferia, 2009). When Eritrea gained its independence in 1991, it became the first state in Africa which broke away from another African state. It could have remained as the only exception if South Sudan had not seceded from Sudan in 2011.

The secession of South Sudan from Sudan illustrates many of the dynamics we have been underlining in this chapter. First of all, it was an "unfinished business". Sudan gained its independence from the United Kingdom and Egypt in 1956 and South Sudanese never saw Sudan as a legitimate government. ("Northern") Sudanese government refused to grant self-rule to South Sudan; and South Sudanese viewed Sudan as a new colonial power (Minahan, 2002, p. 1788). From 1955 to 1972, there was a civil war in this newly established state (Kock, 2011, p. 505; Minahan, 2002, p. 1788). Unlike widely assumed, in this first phase of conflict oil was not even an issue.

[D]istribution of natural resources, especially oil did not play a role in this first civil war: the US oil giant, Chevron, made the first discovery in Sudan only in 1979. [...] It is only during the late 1980s, and especially the 1990s that possession of and/or control over oil reserves became a major issue that furthered the cause of war in both the Southern capital Juba and Khartoum (Kock, 2011, p. 506).

In 1983, the second civil war started when the South Sudan People's Liberation army revolted against Sudan. Originally the South Sudan People's Liberation Army was supported by the USSR and other communist countries like Cuba. After 1989, however, this picture also changed in a number of ways: In 1989, an Islamic fundamentalist government - represented by Omar Hassan Al Bashir - came to power with a *coup d'etat* (Kock, 2011, p. 506). The USSR and communist bloc collapsed. The South Sudanese rebels managed to gain most of the territories with oil supplies. From the 1990s onwards, the US government began to put Sudan on its list of State Sponsors of Terrorism. The Sudanese government sided with Iraq during the Gulf War and became a close ally of Libya (Njoku, 2010, p. 354). In 1998, the US government bombed a suspected site known as *Al-Shifa pharmaceutical factory*, assuming that the place was used for chemical weapons and connected to Al Qaeda. But in the midst of all these tensions, there was another element that was becoming critical. Sudan was becoming a key location for Chinese economic growth. China obtained 10% of its oil from Sudan. And as in the case of Iran, Chinese energy needs and deals were creating further tensions with the USA (Harvey, 2005, p. 139). As the South Sudanese movement was becoming more powerful, China was becoming nervous about the separation of Sudan. Since 2001, secession of South Sudan was on the global agenda (Kock, 2011, p. 506). Parallel to these developments, the atrocities in Sudan were becoming a global human rights problem with "Save Darfur" campaigns and there was a strong Western coalition supporting the South Sudanese right to self determination. The UN Security Council planned to organize a military intervention to Sudan but these plans were prevented by China, who used her

veto power against these operations (Njoku, 2010, p. 354). Nevertheless, with the 2011 referendum, South Sudan seceded from Sudan.

Conclusion

In this chapter we analyzed how the transition to the financial expansion period under US hegemony coincided with a new wave of state-seeking movements. This process has not been completed and we cannot provide a proper analysis of state-seeking movements of this era until this period becomes a subject of history. In the following chapter, however, we will discuss the possible trajectories of state-seeking movements of the 21st century in light of our comparative historical analysis. We attempt to put together the findings of our *longue durée* examination and discuss the ways in which our conceptual/theoretical and historical model contributes to a better understanding of possible trajectories of state-seeking nationalism in the 21st century and of nationalism in general.

IX. SUMMARY OF FINDINGS AND DISCUSSION

In this research, we examined changing state-society relations, state-building strategies of rulers, and successive waves of state-seeking activities in different epochs of historical capitalism in light of the conceptual/theoretical framework we put forward in Chapter II. In each chapter (through Chapter III to Chapter VIII), we provided a historical narrative of a complex set of interrelated events that led to the intensification of state-seeking movements as periods of material expansion turned into periods of financial expansion and the era of hegemonic consolidation gave way to hegemonic crisis and transition. These long historical narratives underscored that the trajectory of state-seeking movements has *not* proceeded along an inverse-U type curve. Instead, there was a virtual cyclical pattern over time in these movements.

In Chapter VIII we examined the existing state-seeking movements in the world during the US hegemonic crisis, which is the period in which we are still living. Although this process is not yet complete, we emphasized that especially in Europe, Asia and the Middle East, there has been a visible increase in state-seeking tendencies since the 1990s. This increase in secessionist movements is discerned by the international media as well. In an article titled "The New World", recently published in the *New York Times*, for instance, Jacobs and Khanna (2012) wrote the following lines:

It has been just over 20 years since the collapse of the Soviet Union and the last great additions to the world's list of independent nations. As Russia's satellite republics staggered onto the global stage, one could be forgiven for thinking that this was it: the end of history, the final major release of static energy in a system now moving very close to equilibrium. A few have joined the club since — Eritrea, East Timor, the

former Yugoslavian states, among others — but by the beginning of the 21st century, the world map seemed pretty much complete (Jacobs & Khanna, 2012).

But, the first decades of the twenty-first century showed that we may be standing on the brink of another nation-state baby boom:

Now, though, we appear on the brink of yet another nation-state baby boom. This time, the new countries will not be the product of a single political change or conflict, as was the post-Soviet proliferation, nor will they be confined to a specific region. If anything, they are linked by a single, undeniable fact: history chews up borders with the same purposeless determination that geology does, as seaside villas slide off eroding coastal cliffs (Jacobs & Khanna, 2012).

In their article, Jacobs and Khanna give examples from Tuareg movement in Mali; Flemish and Walloon movements in Belgium; various secessionist movements in Congo; Somaliland and Puntland movements in Somalia; Alawite movement in Syria; South Yemeni movement in the Arab peninsula; Kurdish movement and Northern Azeri movement in the Middle East; Nagorno-Karabakh problem in the Caucasus; Pashtun and Baluch movements in Afghanistan and Pakistan territories as examples of strong secessionist movements of the 21st century. As we underlined in Chapter VIII, however, this list is very limited because there are many more stateless nations struggling for independent statehood today than existing nation states. Thus the cliff that we stand on is probably much higher than *New York Times* suggested.

Having said this, there are two questions that we need to answer before we jump to the conclusion that another wave of nationalist movements will chew up the territorial borders of the existing world in the upcoming decades. The first question is whether or not we can call these movements "nationalist"; and the second question is whether or not such a rise is inevitable. In this concluding chapter, we will attempt to answer these questions by synthesizing the findings of our *longue durée* analysis. Our answer to the

first question will be "yes, these movements can be called nationalist". And our answer to the second question will be "No. This rise is very likely but *not* inevitable".

In this final chapter, to be able to explain the rationale behind these answers, we endeavor to put together the main findings that emerge out of our long-historical comparative analysis. As we already mentioned, the aim of our comparative strategy was to be able to move beyond our initial theoretical/structural model, discuss the anomalies, and reconstruct a more robust theory of state-seeking and state-led nationalist movements than one laid out in Chapter II. With these concerns in minds, this chapter attempts to discuss (1) the multidimensional transformation of nationalism across the *longue durée*, and (2) the processes and mechanisms through which financial expansions and hegemonic transitions affect state-seeking movements. Both of these issues are critical for not only establishing a more robust theory of nationalist movements but also for understanding possible trajectories of nationalism in the 21st century.

Evolution of Nations and Nationalism in the Longue Durée

In the course of our historical analysis, we did our best to avoid using the terms "nationalist" and "nationalism". Instead, we mostly talked about state-building strategies and state-seeking movements. This was a conscious strategy because, as we underlined in Chapter I and Chapter II, the definition of nationalism is a highly contested issue in the literature. (Smith A. D., 1973; Seton-Watson, 1977; Alter, 1989; Connor, 1994; Calhoun, 1997) One of the major sources of (non)debates of nationalism is the lack of consensus on the definition of nationalism and the existence of a large number of alternative definitions. According to theories that define nationalism as a mass movement of ethno-

linguistically distinct communities with a self-conscious nationalist ideology, for instance, some of the movements discussed in previous chapters (including the ones in Chapter VIII) are not "nationalist". After all, many of these nationalist movements are *not* distinct from the rest of the population in ethnic or linguistic terms. Some of them have religious differences and some of them, more interestingly, merely have economic concerns. Furthermore, not all of these movements are "mass" movements which embrace all classes living in a particular region.

Applying a static and fixed definition to nationalism, however, prevents us from appreciating the evolving and changing nature of the phenomenon across time. In each chapter we examined, we did not simply observe a change in the frequency of state-seeking movements during different periods of systemic cycles of accumulation, but we also saw a qualitative transformation in state-building strategies and in the forms state-seeking movements take. We argue that this transformation is crucial to understanding the puzzling fluidity of nations and nationalism.

Below we will underline some aspects of these transformations based on our macro-historical comparative analysis.

Relationship between State-Building Strategies and State-Seeking Reactions

Our analysis revealed a close relationship between state-building strategies and state-seeking movements in each historical epoch. We saw that during each systemic cycle a new state-building strategy was added to the repertoire of the rulers, which unleashed new forms of state-seeking movements emerging as a reaction to this dominant form. Although our historical narrative (in Chapter III through Chapter VIII) did not

include all types of state-building strategies and state-seeking movements of the world, by looking at the relationship between state-building activities and state-seeking movements within the territories of the core regions of historical capitalism, we can still identify some of the key transformations state-building activities and state-seeking movements went through across long centuries.

Figure IX-1: State-Building Strategies and State-Seeking Reactions Across Systemic Cycles

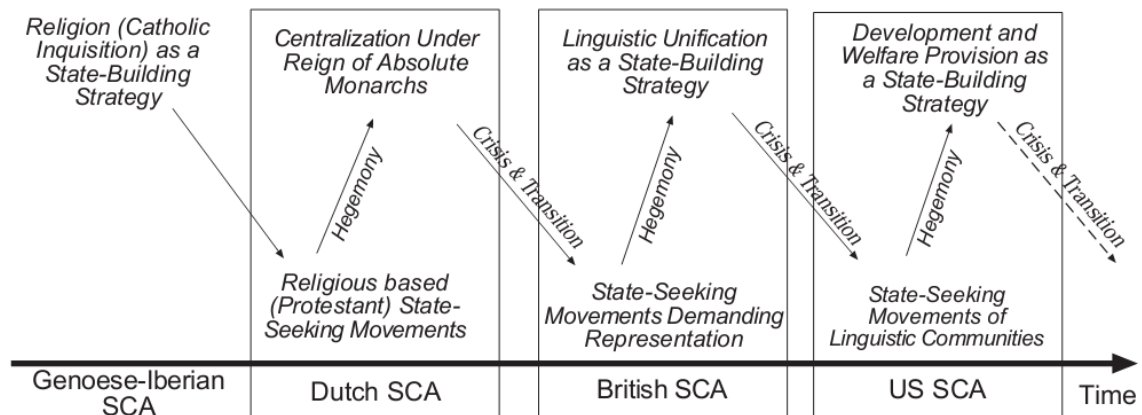


Figure IX-1 provides an illustration of the transformation we observed. During the Genoese-Iberian systemic cycle, religion was the main instrument which rulers and state-seeking movements in many parts of Europe utilized to mobilize their populations. In the second half of the 15th century, Catholic Kings and Spanish-Habsburg emperors were using Catholicism as a state-building strategy; and in the 16th century, Protestantism emerged as an alternative religious form which was embraced by many new state-seeking movements. During the Dutch systemic cycle of accumulation, however, religion gradually lost its dominant role both as a state-building strategy and as a state-seeking movement. Rulers of Europe in the 17th century made "medieval parliaments" obsolete and imposed absolutist rules as a strategy of containing rebellions. In the late 18th century, this created a new wave of state-seeking movements on both sides of the

Atlantic which mainly demanded representation. During the British systemic cycle, in the early 19th century, rulers started to use linguistic unification as a state-building strategy. In the late 19th century, state-seeking movements of linguistic (and ethnic) groups emerged. During US systemic cycle of accumulation, the development of welfare provisions and redistributionist policies were utilized by rulers to ensure the loyalty of the masses. During the crisis of US hegemony, we have started to see how problems related to "development" emerged as an integral aspect of new state-seeking movements.

Let us be clear. We do not argue that these forms of state-building strategies were emulated by all rulers in different parts of the world and became the only state-building strategy of all states at the same time. This did not happen. We do not argue that previous state-building strategies completely disappeared or were confined to the ones that we summarized above either. These were some of the state-building strategies and state-seeking reactions we were able to observe in our analysis. What is important in our analysis is that it shows us a close relationship between state-building strategies and the forms of state-seeking movements. This argument can be applied to different contexts as well. In the third quarter of the 20th century, for instance, many rulers of North Africa and the Middle East started to mobilize and coordinate their citizens around religion (e.g. Islam). Thus if new state-seeking movements in these territories start to organize around religious differences (e.g. different sects of Islam etc), we must not dismiss them for being "religious" movements in essence. For these reasons, it is important to conceptualize nationalism in a Weberian manner, that is as a movement of a community that attempts to establish a state of its own.

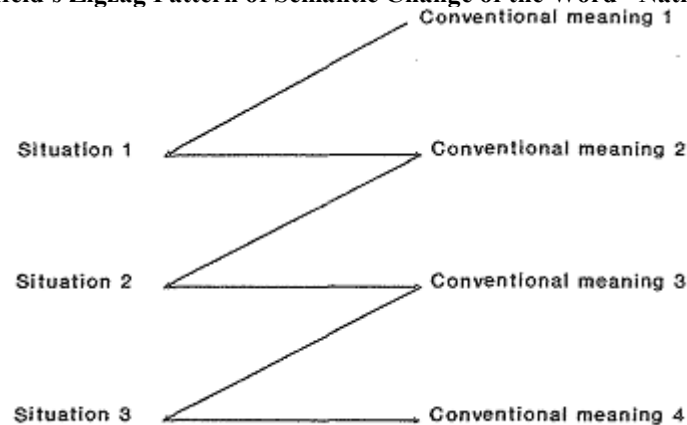
Semantic Change of the Word "Nation"

Our long-historical analysis also underlined that "nation" is a concept whose connotations and overtones have changed parallel to the transformations in state-building strategies and state-seeking movements, and to the changing international context. Historians, historical sociologists and political scientists who examined the historical development of "nationalism", often started their discussion by emphasizing how the term "nation" gained different meanings in different time periods (Zernatto, 1944; Greenfeld, 1992, pp. 4-9; Hobsbawm, 1992; Connor, 1994). In her *Nationalism: Five Roads to Modernity*, Liah Greenfeld offered an explanation for this "zigzag pattern of semantic change":

The successive changes in the meaning [of the word "nation"] combine into a pattern which, for the sake of formality, we shall call "the zigzag pattern of semantic change." At each stage of this development, the meaning of the word, which comes with a certain semantic baggage, evolves out of usage in a particular situation. The available conventional concept is applied within new circumstances, to certain aspects of which it corresponds. However, aspects of the new situation, which were absent in the situation in which the conventional concept evolved, become cognitively associated with it, resulting in a duality of meaning. The meaning of the original concept is gradually obscured and the new one emerges as conventional. When the word is used again in a new situation, it is likely to be used in this new meaning, and so on and so forth (Greenfeld, 1992, p. 5).

According to Greenfeld (1992) conventional meanings of the term "nation" were transformed when they were applied to new situations. Greenfeld illustrated her zigzag pattern of semantic change as follows:

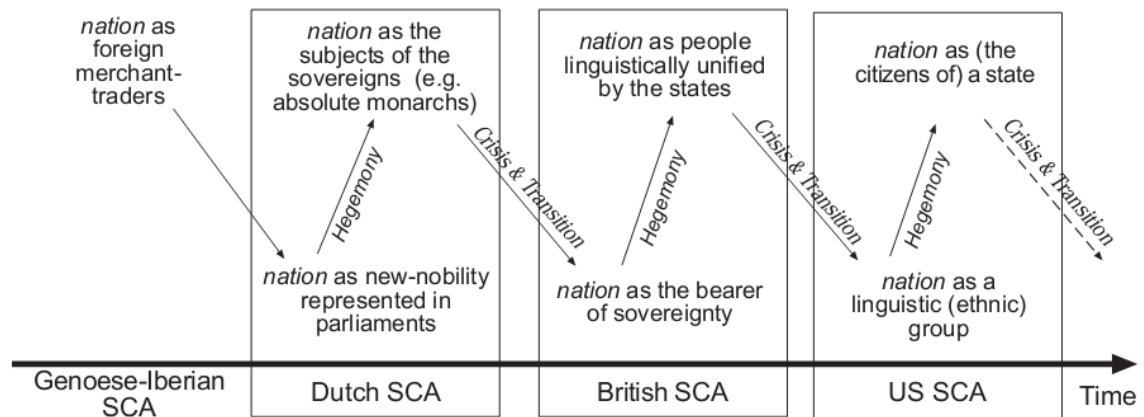
Figure IX-2: Greenfeld's Zigzag Pattern of Semantic Change of the Word "Nation"



Source: Greenfeld (1992, p. 6)

Our *longue durée* analysis not only provided evidence for changing definitions of "nations" in time but also revealed some of the macro-structural dynamics that contributed to the transformation of the conventional meaning of the word "nation" (see Figure IX-3, below). Thus, during the Genoese-Iberian systemic cycle "nation" was a derogatory term which mostly referred to "foreigners" including "foreign merchant-traders in diaspora" (Zernatto, 1944; Greenfeld, 1992, pp. 4-9; Hobsbawm, 1992, p. 16). In this era, there was a sharp differentiation between the rulers and protectors of the land, *patrie*, and people who engaged in trade and production. The first group was mostly composed of "native" aristocracies of these lands, and the second group was composed of "foreign" merchant traders. But this meaning changed in the 16th century, when some of these "merchant-traders" (e.g. Dutch) started to make alliances with their own aristocracies and combined "state-making" and "market-making" capacities. England and the United Provinces were the locations where this transformation was most visible. In these lands, "nation" gained a new meaning. It started to refer to the "new nobility" which was represented in the parliaments of these nations.

Figure IX-3: Semantic Change of the Word "Nation" Across Systemic Cycles



When the United Provinces rose to global political and economic preeminence and established Dutch hegemony after the Peace of Westphalia (1648), a simultaneous transformation took place. The Peace of Westphalia prepared favorable conditions for absolutist monarchs, who started to consolidate their own territories and to smash existing state-seeking movements and make existing parliaments obsolete. In the seventeenth century, as Carr (1945) observed, "nation" came to be represented in the figure of the king or monarch. During the crisis and transition of Dutch hegemony, however, a reaction against the absolutist monarchical regimes emerged. Social revolutions and state-seeking movements of the late 17th and early 18th centuries demanded representation. The success of these "democratic movements" turned the previous image of nation upside down. Previously nations belonged to sovereigns, now sovereignty started to belong to nations.

The meaning of the word nation changed, again, during the British hegemonic consolidation period, when most states sought to create a linguistic homogeneity as a part of their state-building strategy. This was a process that started with the French Revolution (Hobsbawm, 1992) but as Gellner (1983) underlined, the needs of industrial

societies - which was also a product of the British systemic cycle - also contributed to the emergence of this "high culture". During the crisis of British hegemony, many nationalist movements emerged as a reaction to this linguistic homogenization. Hence, new nations started to be "linguistic" groups, which more or less coincided with "ethnic boundaries". Hence, in the late 19th century, nation started to gain its ethnic and linguistic connotations as well.

This new meaning became widespread throughout the 20th century. Yet another simultaneous transformation also took place. In the early 20th century, majority of the nationalist movements were anti-colonization movements, which did not overlap with any ethnic or linguistic boundaries. However, in the newly established inter-state system, they became sovereign nations. Thus, "nation" started to be used merely to refer to citizens of an independent state; and the rigid boundaries between "nations" and "states" started to melt down.

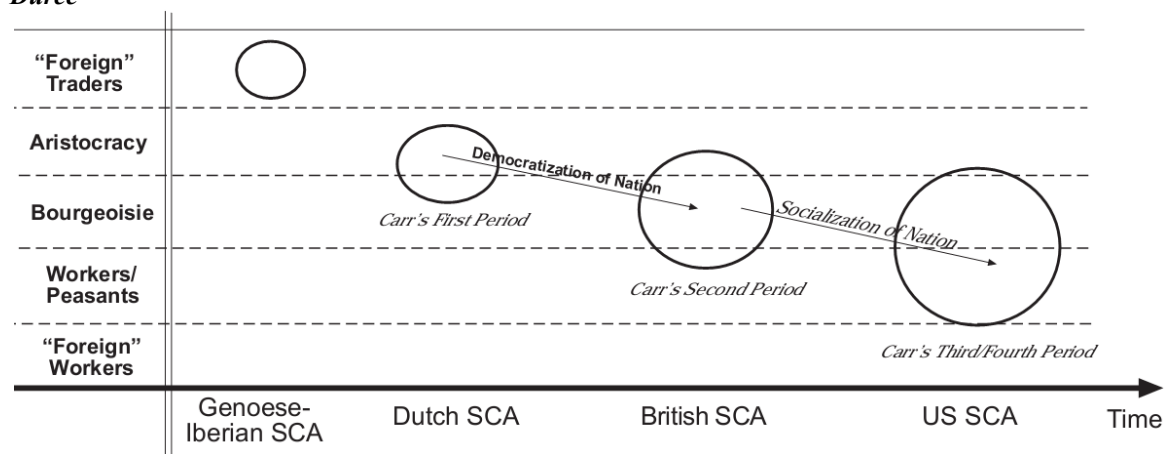
In a famous article, titled "*A Nation is a Nation, is a State, is an Ethnic Group, is a*", Walker Connor (1994) criticized the "perplexing tendency" to use the words *state* and *nation* interchangeably. However this was not an arbitrary definition problem. Nation was a word which was changing in time and, as Connor also observed, "citizens of a state" was the primary meaning of the nation in the 20th century. What creates confusion is the fact that the old connotations of the term "nation" does not disappear as fast as the emergence of new meanings and connotations. Thus instead of a constant shift in the meaning of the word, we see a multiplicity of meanings that co-exist at any given time period. Thus for a scientific analysis of nationalism, we must accept this multiplicity of meanings and be open to new emerging connotations of the term "nation".

Changing Class Composition of Nations

A third dynamic that contributed to the transformation of nations and nationalism across the *longue durée* was the change in the class composition of nations. Today nationalism is often recognized as a mass movement and national identity is viewed as an identity that cross-cuts different classes. Hence there is a binary opposition between social classes and national groups as status groups in the sociology discipline.

Our long historical analysis, however, also revealed that the association of nation and national identity with "mass" politics is also very recent. Nationalism only gained its "mass character" during the US systemic cycle of accumulation. As Breuilly (1982) emphasized it is not possible to call unificationist movements of the 19th century "mass movements".

Figure IX-4: Changing Class Composition of "Nation" and "National Identity" Across the *Longue Durée*



Change in the class composition of nations was a recurring theme of each chapter we examined. During the Genoese-Iberian systemic cycle, "nations" were "foreign traders", who were excluded from any sort of political rights and privileges. During the Dutch systemic cycle, parallel to the semantic change of the word "nation", nations

started to represent the "new nobility", which was composed of a combination of aristocratic and bourgeois classes (Greenfeld, 1992; Carr, 1945). During the British systemic cycle of accumulation, nations incorporated most of the middle classes (hence all of the bourgeoisie) but they still excluded the working classes and the peasantry. Workers and peasants were only incorporated into the political nation during the US systemic cycle of accumulation.

These findings are parallel to E. H. Carr's observations. In his *Nationalism and After*, E. H. Carr (1945) argued that during *the first period* of nationalism (approximately from 1550 to 1815) the political nation neither incorporated the masses nor the middle classes. During the *second period* of nationalism, "democratization of the nation" took place and the middle classes were integrated into the nation between 1789 and 1914. It was only during Carr's third period (which started after 1870) that "socialization of the nation" occurred and the masses (workers and peasants) were incorporated into the political nation (Carr, 1945).

Both Carr's observations and our findings support the conclusion that, as we move from one systemic cycle to another, ruling nations started to incorporate lower classes; thus the size and scope of nations gradually increased. This was largely a result of the intensification of social and political conflicts during periods of hegemonic transition, and the establishment of wider social and political compacts during each new hegemonic consolidation period. It would also be wrong to assume that today this process is over and nations have incorporated the largest possible group living within their territories. Similar to the Croat landlord of the 19th century who believed that he would sooner have regarded his horse than his peasant as a member of the Croat nation (Carr, 1945, p. 3),

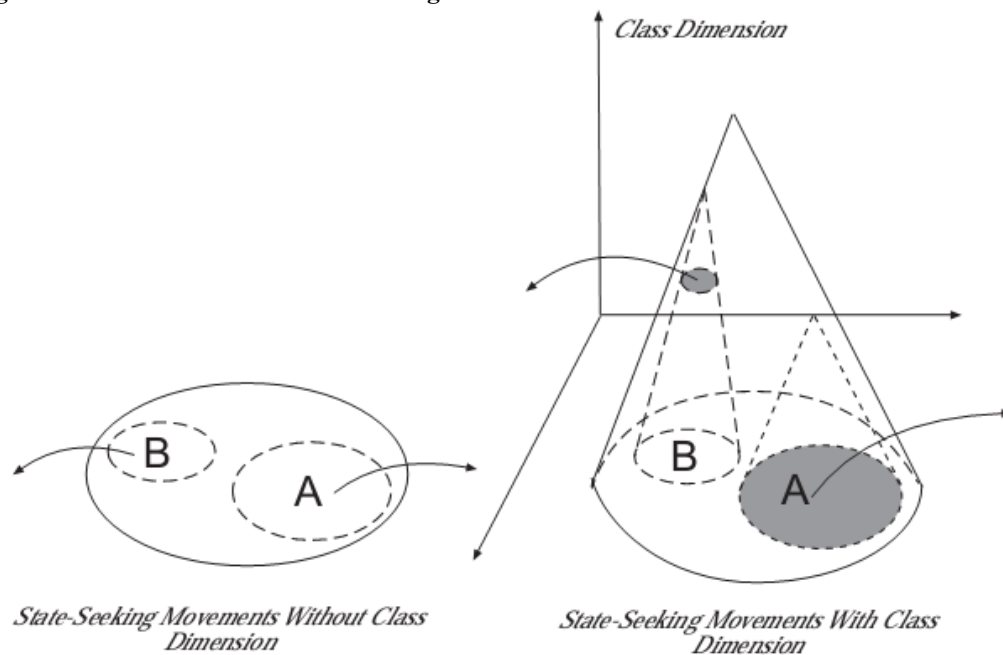
today, it is extremely difficult for many to regard "foreign" immigrants workers, for instance, as a part of their nation. The struggle over "citizenship" rights can be regarded as a continuation of the struggle of incorporation process in the 21st century.

Furthermore, the emergence of a new conception of national identity through the incorporation of new classes into the ruling nation does not necessarily require that former conceptions of national identity suddenly disappear. In the 19th century, middle classes were incorporated into "nation" but some of the aristocratic-type state-seeking movements still remained. Today, we can still see movements which attempt to bring their "kings" and revive their ancient "kingdoms". Buganda, Ankole, Toro and Nyoro secessionist movement in Uganda (Hewitt & Cheetnam, 2000, pp. 52-53) or Sikkimese nationalism in India (Minahan, 2002, p. 1731; Hewitt & Cheetnam, 2000, p. 268) are examples of nationalist movements which still attempt to bring independence to their ancient kingdoms. We cannot dismiss these movements by stating that their representation of nation does not fit to the predominant contemporary representation of nations.

Our analysis also provided evidence for the fact that the demand for secession has not always been embraced by all classes of a particular territory. Although the majority of contemporary nationalist movements have inter-class solidarity within a region, we saw many cases in history in which secession is demanded by a particular class but not others. In these cases, demand for autonomy/national liberation and class conflict often overlapped and the conceptual distinction between "social movements" and "national movements" was blurred.

As we have seen, the state-seeking movements in Germanias, Sicily and Palermo during the crisis of the Genoese-Iberian systemic cycle; state-seeking revolts of indigenous people in Spanish colonies during the crisis of the Dutch systemic cycle; working class based communal movements in France during the crisis of the British systemic cycle or the Zapatista movement during the crisis of the US systemic cycle, are examples of class conflicts and social revolutions, which demanded, struggled for or gained "autonomy" or "secession" primarily to protect their primarily class interests (Type A in Figure IX-5). In these movements the driving force of secession was not a nationalist ideology or desire to bring independence to a historic nation.

Figure IX-5: Illustration of State-Seeking Movements with and without Class Dimension



Likewise, the Andalusian and Portuguese secessionist movements in the 17th century were not independence movements which were able to mobilize the masses. In his analysis of nationalist movements in history, Charles Tilly, for instance, did not regard Portuguese and even Catalan movements (of the 1640s) as nationalist, "because in

each case aristocratic leaders appealed explicitly to ancient charters rather than the principles of nationality" (Tilly, 1994, p. 134). Of course, because the class base of nations had not incorporated lower classes at the time, these elitist state-seeking movements were more common before. But even today we can see examples of these types of movements. Contemporary autonomy movements in Santa Cruz (Bolivia) or movements of Zulia (Venezuela), for instance, can be seen as primarily upper class and elitist movements protecting particular class interests (see Type B in Figure IX-5). Because of their upper class and elitist character, these movements often try to frame their movement as a broad defense of territorial identity (Eaton, 2011, p. 293).

The recognition of the possibility of differential class interests in nationalist movements is important to assess the new forms nationalism might take in the upcoming decades. As the language of national liberation is appropriated by the far right and new secessionist movements emerge as an exit strategy for elites residing in a territory; or as contemporary struggles around land and resources push lower classes to seek the solution of their problems in the establishment of new states for themselves, these complex forms of state-seeking movements might be more common in upcoming decades. Categories of nationalism that only take into consideration the experience of the nineteenth and the twentieth centuries will fail to see these movements as properly nationalist. Some of the theories we examined in Chapter I, for instance, realized some of the emerging struggles for statehood that did not properly fit into the contemporary definitions and they therefore refused to conceptualize them as "nationalist" movements. On the contrary, they argued that these movements "create the illusion of nations and nationalism as an irresistibly rising force ready for the third millennium" (Hobsbawm, 1992, p. 177). Our analysis

shows how these movements are an integral part of the long history of state-seeking movements; and as economic and financial crises intensify, we will probably see these types of movements more often than before.

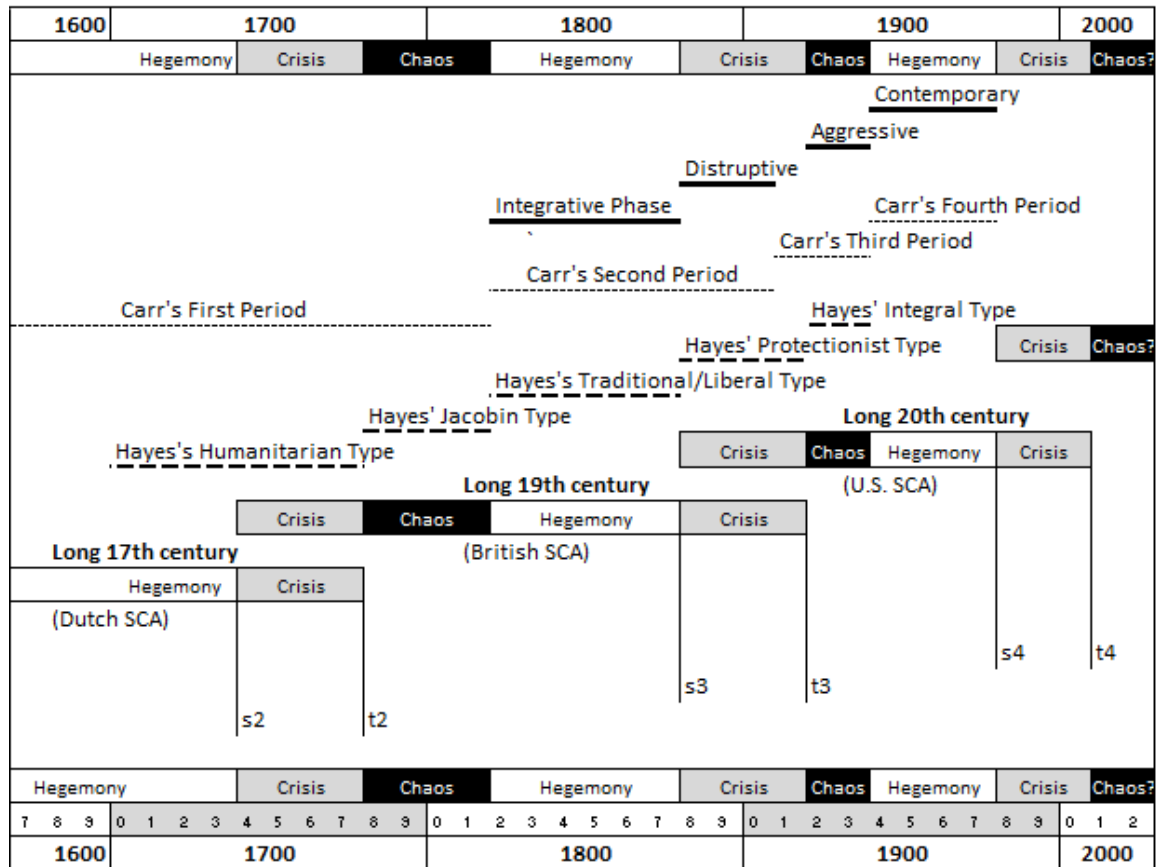
Nationalism and the Pendulum of Tolerance

Besides changes in the (1) forms of state-seeking movements, (2) meaning of the word "nation" and (3) class composition that constitutes nation, there was a fourth kind of transformation that we observed in each successive chapter. Nationalist sentiments swung back and forth between tolerant/liberal tendencies and aggressive tendencies. In Chapter I and II, we argued that many historical typologies of nationalism described nationalism as a movement from (1) "a pristine reasonableness" (e.g. integrative type) to (2) an inflammation (e.g. disruptive type), then to (3) a madness (e.g. aggressive type) and finally to a (4) re-moderation (e.g. contemporary type) (Smith A. D., 1971). Similar to these taxonomies, for many liberal historians nationalist movements resembled "Sleeping Beauty" in the 19th century which suddenly turned into "Frankenstein's monster" in the early 20th century. As a reaction to the catastrophe created by these "Frankenstein's monsters" between 1914 and 1945, many scholars of the post-War era even expected a decline in the nationalist sentiments.

Our analysis suggests that nationalism actually resembles "Dr. Jekyll and Mr. Hyde", who simultaneously contains both "tolerant" and "aggressive" tendencies in one single body. Investigating a large number of state-building activities and state-seeking movements in each systemic cycle, we showed that with the intensification of inter-state rivalries, which occur more often during periods of hegemonic transition and financial

expansions, tolerant forms of nationalism gradually turned into more aggressive forms. But when a new hegemonic order is established, new tolerant/inclusive forms are re-appropriated. Thus as we move from one hegemonic order to another (or as we move from one systemic cycle to another) we saw a rise and fall movement in the aggressive/intolerant forms of nationalism. To put it differently, our long historical analysis provided some of the macro-structural dynamics that contributed to the emergence of this "nationalist parabola".

Figure IX-6: Historical Taxonomies of Nationalism, Systemic Cycles of Accumulation and Hegemonic Transitions



Source: Periods of systemic cycles of accumulation are from Arrighi (2010, p. 220). "S" and "T" letters refer to "signal" and "terminal" crisis that marks of the crisis and chaos periods respectively, The numbers next to "s" and "t" letters signify how many times this crisis occurred in historical capitalism. The periods of hegemony, crisis and chaos are from Arrighi and Silver (1999). These periods are approximate. Periodization of historical typologies are from Carr (1945; 1994), Hayes (1931) and Smith (1971).

In Figure IX-6, above, we provide an integrated illustration of Arrighi's (1994) Systemic Cycles of Accumulation, Arrighi and Silver's conceptualization of hegemonic transitions (Arrighi & Silver, 1999) and historical taxonomies provided by Hayes (1931), Carr (1945; 1994) and Smith (1971),¹ respectively. As Figure IX-6 illustrates, Smith's "integrative" phase of nationalism overlaps with the hegemonic period, "disruptive" phase with the hegemonic crisis period and the "aggressive" phase with the hegemonic breakdown (hence chaos) of the Long 19th Century. The "contemporary" phase of nationalism - which was a phase of moderation according to these taxonomies - also overlaps with the hegemonic consolidation period of the Long 20th century. Our theoretical/conceptual framework is also useful for contextualizing Hayes' historical typology. Hayes's "Humanitarian" and "traditional/liberal" types of nationalism - both of which are inclusive and tolerant for Hayes - broadly overlaps with the hegemonic consolidation periods of Dutch and British hegemony; whereas his "Jacobin" and "Integral" types - which are categorized as intolerant, aggressive and hostile - overlap with periods of chaos. Similarly, E. H. Carr's "third period", which brought totalitarian properties of nationalism to the fore also overlaps with the chaos period of British hegemony.

This illustration is not only useful for explaining the retrodictive power of our theoretical/conceptual framework but also for illustrating its predictive capacities. Our analysis operates from the premise that contemporary US hegemony is in crisis. Assuming that 1968/73 was a signal of US hegemony; the 2007/09 financial meltdown

¹ We need to remind that this is not Anthony Smith's own taxonomy, but his illustration of a typical historical taxonomy.

may be regarded as its terminal crisis. Of course, there is no sure way of stating this without observing its consequences. Yet either way, in these recent decades we have started to see that Kohn's "Western" type of nationalism, which was shown as a model of "tolerance" and "inclusiveness", has started to turn into its opposite. Extreme right wing movements started to emerge in many parts of Europe and North America; hostile sentiments against foreign immigrants, ethnic and religious minorities started to be much more visible than ever. These last two decades made it clear that inclusive or exclusive sentiments, tolerant or intolerant forms of nationalism, has not much to do with geographical (West vs. East) or ideological differences between actors but with changing macro-structural conditions in the political-economy and inter-state relations of the modern world. This also suggests that if inter-state rivalry intensifies in the upcoming decades (as it did in all previous hegemonic transition period), we may see devastating catastrophes analogous to previous waves as well.

Looking at the long history of state-seeking movements, one can see that forms of nationalist movements, their class-compositions, semantics of the word "nation", these movements' relationships between tolerance and aggressiveness have constantly been transformed across space and time. That's why it is extremely difficult today to reach an agreement on what "nation" or "nationalism" really is. Our long historical analysis, however, helps us not only to trace this transformation through a conceptual/theoretical framework but also to appreciate new forms state-seeking movements may assume in the 21st century. Taking this transformation into consideration, we can safely call the state-seeking movements of the 21st century as "nationalist" movements regardless of their resemblance to 19th century definition of nations and nationalism.

Is The Rise of Nationalist Movements Inevitable?

In the previous section of this concluding chapter, we presented some of the findings regarding the long historical transformation in state-led and state-seeking nationalism. Taken as a whole these findings also support our argument that the historical trajectory of nationalist movements was closer to a cyclical movement than an inverse-U trend. Seen from this perspective, today we find ourselves on the brink of another major wave of state-seeking movements. Yet, this does not mean that we will *necessarily* see a major upsurge of state-seeking movements in the upcoming decades. Creation of new macro-structural opportunity structures for state-seeking nationalist movements are contingent upon how the crisis of US hegemony will unfold. Based on the dynamics we have defined so far, below we will identify some of the counter-tendencies that might be taken into consideration for a fuller analysis of the alternative possible future trajectories of state-seeking nationalism.

Financialization and State-Seeking Movements in Previous Systemic Cycles

In Chapter II, we conceptualized periods of financialization as periods that create various opportunity structures for state-seeking movements. Our historical analysis revealed that the relationship between financialization and intensification of state-seeking movements is an extremely complex one. Very broadly speaking, as expected, we saw an overlap between periods of financial expansion and escalation of state-seeking movements. In the aftermath of the birth of *haute finance* in northern Italian city-states (from the mid-14th to the mid-15th centuries) there was an intensification of state-seeking movements in the communes, provinces and city-states which were subjugated and colonized by greater northern Italian city-states. During the financial expansion

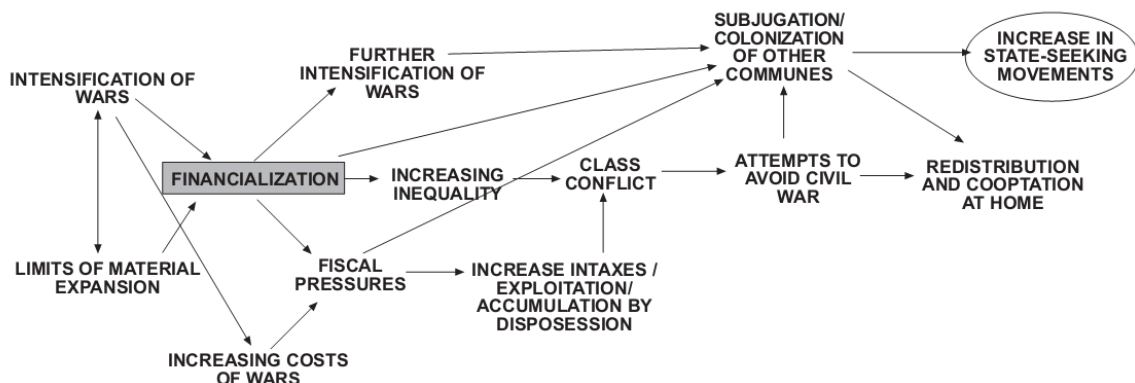
period of the Genoese-Iberian systemic cycle, there was a rise of state-seeking activities from 1520 to 1640 in the territories of the Spanish-Habsburg Empire and Holy Roman Empire. During the financial expansion period of the Dutch systemic cycle (especially from 1760 to 1810), there was an increase in state-seeking activities in the American settler colonies and in continental Europe. During the British financial expansion period, which started in the 1870s, there was a rapid rise of state-seeking movements in Europe, Middle East and in the colonial possessions of the Imperial powers. And as we discussed in the Chapter VIII, since the financialization period of US hegemony has started, we have been observing a world-wide escalation in the state-seeking activities in Europe, Asia, the Middle East and some parts of Africa. In short, in every financial expansion period we examined, there was a visible escalation of state-seeking movements. And except for the US systemic cycle, which has not yet been completed, the intensity of state-seeking movements during financial expansion periods was higher than the material expansion periods they succeeded.

However, this summary does not appreciate the complexity of the relationship between financial expansions and state-seeking movements. In none of the phases of historical capitalism we examined, the relationship between financialization and state-seeking movements was direct. It was a combination of *indirect* and - if we borrow terminology from statistics - *spurious* relationships. This does not mean that the relationship was unimportant. On the contrary, without the *catalyst* role played by financialization processes, the recurring set of events that unleashed successive waves of state-seeking movements during crisis and breakdown of the hegemonic systems would

not have taken place. Hence the role that played by financialization was vital for nationalism. But what was this role?

Our analysis revealed that the role that financialization played in each hegemonic period also changed across time. In order to show the differences in this *catalyst* role played by processes of financialization, below, I will summarize the key mechanisms and processes that linked financialization processes to the increase in state-seeking movements in every epoch we examined in this study. My attempt, here, is not to provide a full scheme of relationships and processes but only to underline the main ones that we have focused in our analysis.

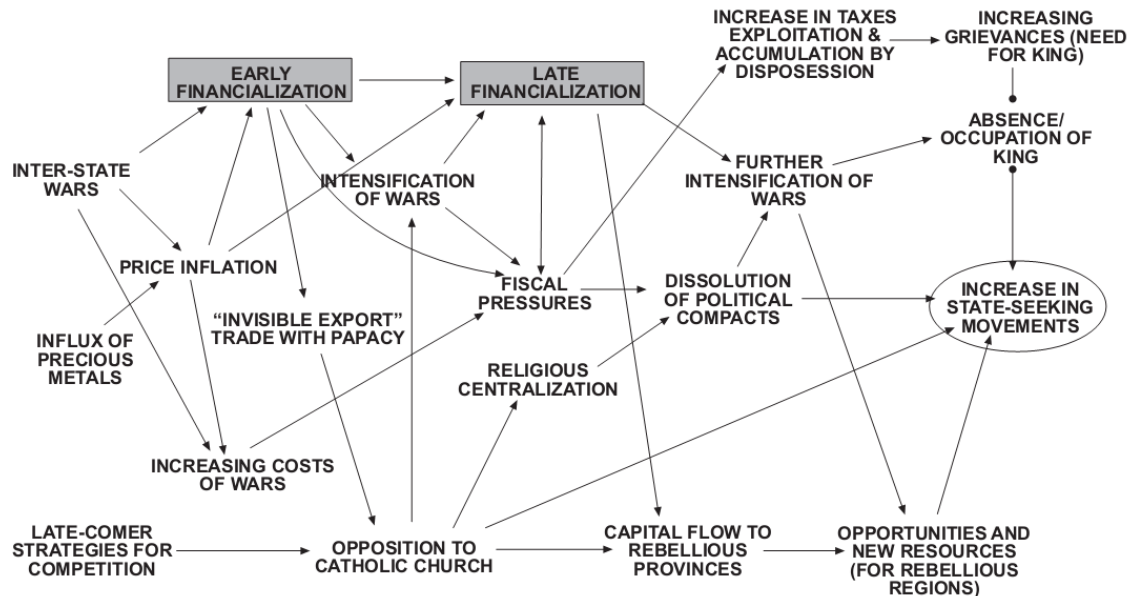
Figure IX-7: Mechanisms and Processes that Intensified State-Seeking Movements in Northern Italian City States, 1300-1500



Between 1300 and 1500 in northern Italian communes and city-states, financialization processes provided resources for war-making practices which led to the intensification of inter-city-state wars and subjugation of other colonies and communes. It also led to the escalation of class conflict by increasing the fiscal (budgetary) pressures, which, in turn, led to an increase in taxes, forced loans, over-exploitation. Financialization also contributed to increasing inequality within city-states and communes. Attempts to avoid class conflict and to find a solution to fiscal pressures led

to the subjugation of other communes and city-states. This created a reaction by subject cities, provinces and communes who wanted to reassert their independence.

Figure IX-8: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of Genoese-Iberian SCA, 1520-1640



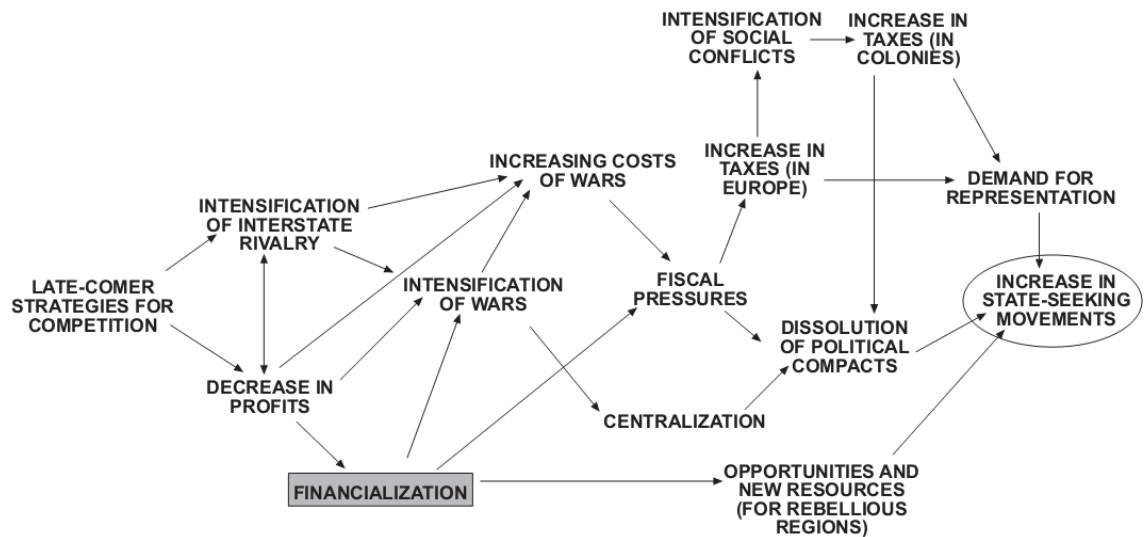
These two processes existed during the financial expansion period of the Genoese-Iberian systemic cycle (1520-1640) as well. In this period, financialization affected the increase of state-seeking movements by (1) intensifying existing wars and (2) increasing fiscal pressures. This dual process pushed the Castilian monarchs and Spanish/Habsburg emperors to dissolve political compacts made with other kingdoms during the reign of the "Catholic Kings". In this systemic cycle two additional processes also came into play. (3) During the "Age of Fuggers", the coalition between Fugger and the Catholic Church in the business of "invisible exports" (e.g. selling of indulgences) speeded up the corruption of the Catholic Church and led to the development of Protestant revolts, which turned into an alternative state-building strategy. (4) Finally,

during late financialization period, Genoese capital started to provide financial resources to Dutch rebels and contributed to the strengthening of Protestant state-seeking revolts.

Intensification of wars and increasing fiscal pressures were also critical during the financialization period of the Dutch systemic cycle (1760-1810). Dutch financiers provided resources for the wars of European monarchs and emperors (e.g. France, Russia, Denmark, Sweden, Bavaria, Saxony etc.). These wars increased fiscal pressures, pushed states to pursue further centralization and to increase taxes, which created a large number of social and political conflicts some of which turned into state-seeking movements. Similar to Genoese moneylenders, Dutch moneylenders also provided necessary resources to state-seeking American rebels who struggled against the British Empire.

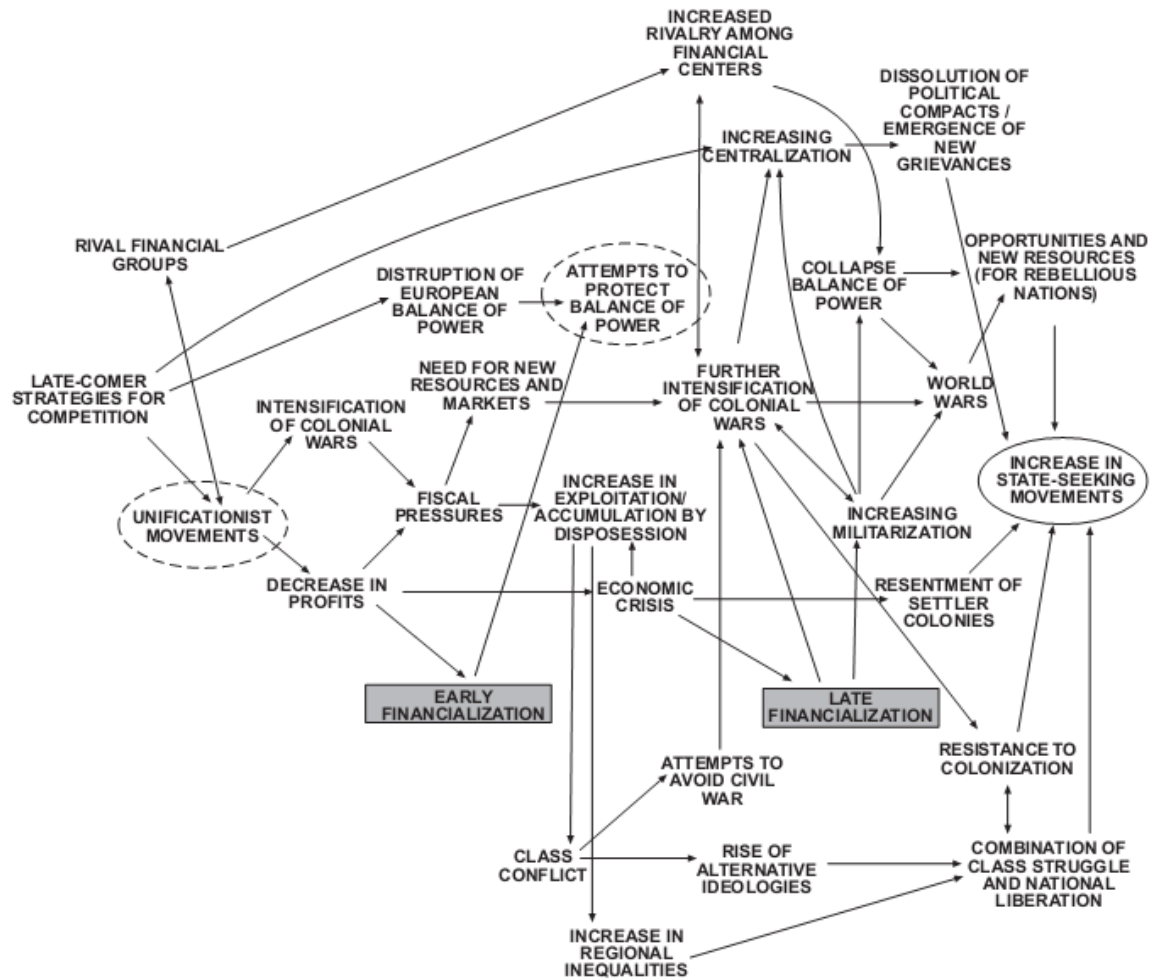
Hence, there is a similarity between the northern Italian, Genoese-Iberian and Dutch financialization processes in terms of their indirect effects on state-seeking movements. In all of these processes, financialization contributed to state-seeking movements through its effects on "war-making" (which often led to colonization or led to further centralization) and "fiscal pressures" (which led to an increase in taxation and further centralization). Furthermore during both Genoese and Dutch financial expansion periods, large amounts of capital were available for some of the rebellious state-seeking movements.

Figure IX-9: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of Dutch SCA, 1760-1810



During British systemic cycle these aspects did not disappear but some additional mechanisms and processes came into play. Unificationist state-building strategies of Germany and Italy started during the late material expansion period and created new financial centers which attempted to challenge British power. Unlike the USA, these two continental late-comers did not have access to natural resources and land. Thus they started to compete in overseas colonization and they started to challenge the existing political geography of Europe. Thus, during the early financialization period of the long 19th century, finance did not initially emerge as an instrument of instability. On the contrary, British financial interests attempted to protect the balance of power of Europe. Thus, as Karl Polanyi observed, initially finance became a defender of peace and order. However, due to the intensification of colonial wars, increasing competition by rival financial powers, decreasing rate of profits, intensification of economic crisis, the rise of class conflict and the need to contain these conflicts, the British government soon abandoned this policy and participated in the process of increasing militarization and a renewed round of imperial colonization.

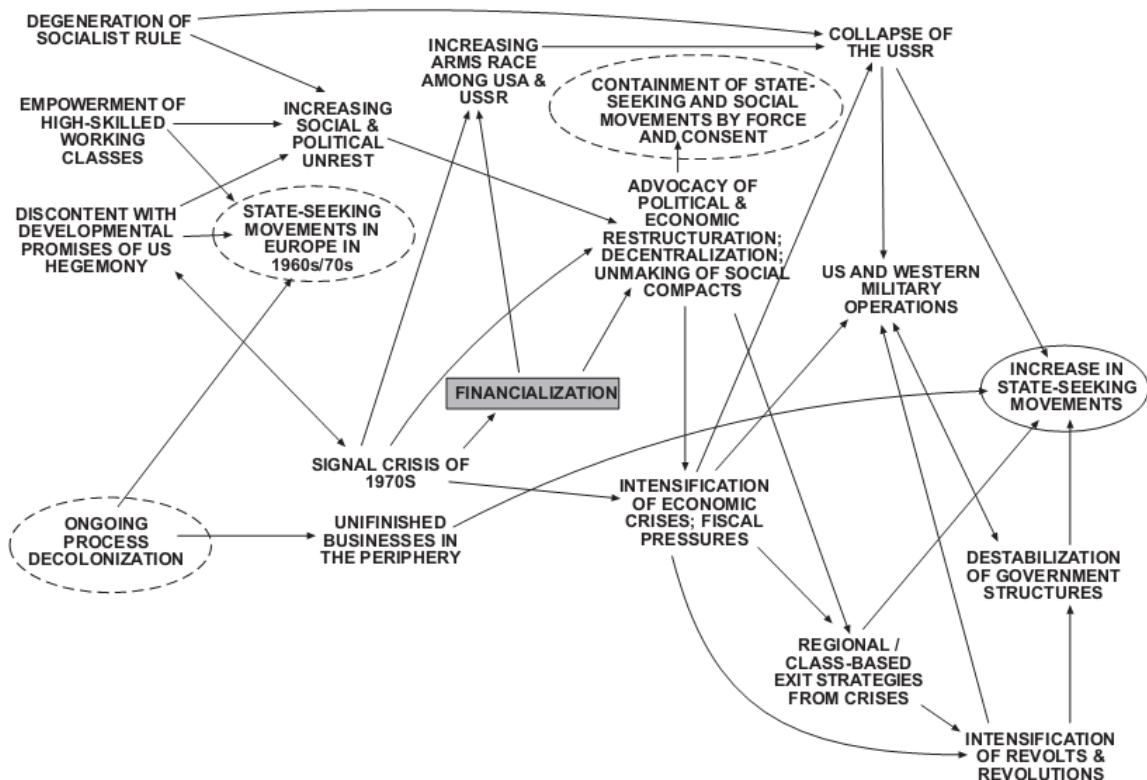
Figure IX-10: Mechanisms and Processes that Intensified State-Seeking Movements during Financial Expansion of British SCA, 1860-1930



The real eruption of state-seeking movements occurred with the world wars. Furthermore, there was an additional factor which intensified state-seeking movements of the late 19th and early 20th centuries. In this systemic cycle, communism emerged as an internationally organized alternative political ideology that started to embrace national liberation movements. As a result of a combination of all these factors, state-seeking movements came to a climax during the First World War.

Anomalies of US Systemic Cycle in a Comparative Perspective

In the light of these previous trajectories, what can we say about the effect of financialization on state-seeking movements during US systemic cycle? Some of the processes and mechanisms that led to the intensification of nationalist movements in previous systemic cycles (such as the relationship between financialization, economic crises and fiscal pressures) continue to play a key role in this systemic cycle. As we discussed in Chapter VIII, today many state-seeking movements are utilizing opportunity structures created by the current financial crisis or are using secession as an exit strategy. Probably because of the adoption of developmentalism and redistributive policies as an important part of the state-building strategies during US hegemony, the effects of these economic crises on state-seeking movements are stronger and more visible than in previous periods.

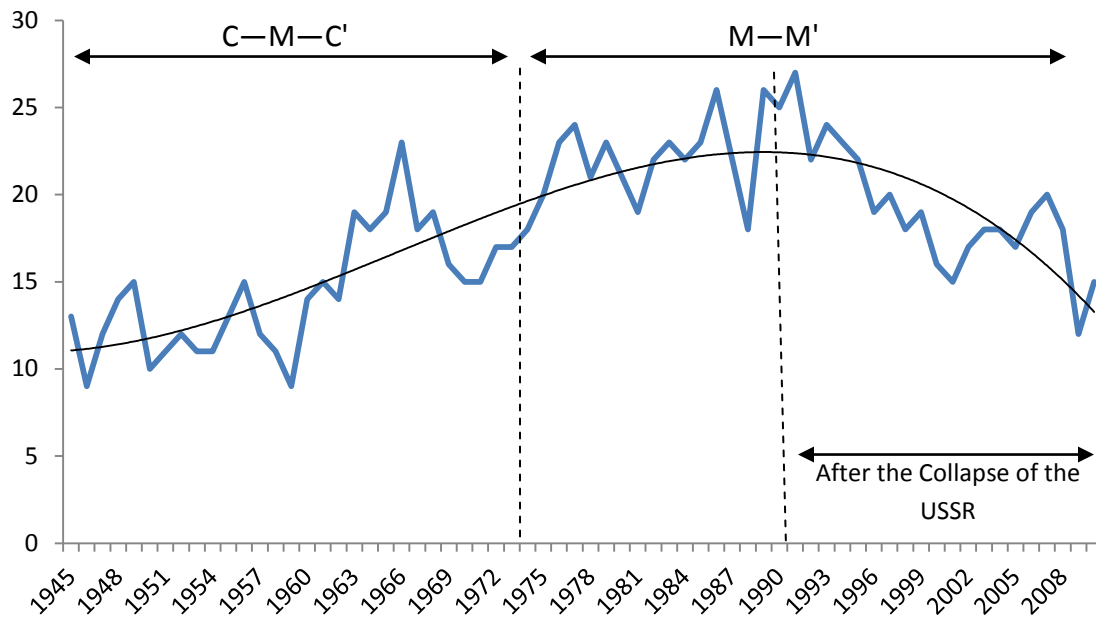


But the US systemic cycle has some interesting differences as well. As Figure IX-11 shows, and as we discussed in Chapter VIII, during the US systemic cycle, intensification of nationalist movements started before financialization originally took off. Nationalist revivals in Europe and North America in the 1960s were part of the system-wide intensification of global social and political movements. Therefore, when the financial expansion was inaugurated, it had to provide a stable social and political environment first. Consequently, state-seeking movements did not further increase when financialization took off during US systemic cycle; instead they initially decreased. We saw this dynamic also during the British systemic cycle: financialization originally contained state-seeking movements by restoring the balance of power system in Europe. During the US systemic cycle, however, it was not the balance of power that was disturbed but the rate of profits, and social/political stability. Thus US financialization required a political-economic restructuration of the world, which is widely referred to as "neoliberalism". This process helped many states to contain state-seeking movements through (1) increasing the cost of collective action (i.e. force) and (2) simultaneously decreasing the need for independent statehood by offering various decentralization schemes (i.e. consent). As we underlined in Chapter VIII, it is not a coincidence that from the late 1970s to today, many countries with active state-seeking movements have started to implement various autonomy or decentralization plans to provide stability within their regimes. Furthermore, the spread of the ideology of multiculturalism and cosmopolitanism as a superstructure of this financialization process also contributed to the alleviating secessionist movements. The most critical part of these "consent-building" practices, however, has been the liquidation and disbanding of armed wings of

existing nationalist organizations. Especially since the collapse of the USSR in the 1990s, there is a visible decrease in the use of armed violence in movements of national liberation.

The ETA, which was organized in 1959 and became very active in the 1970s, declared the cessation of its activities in 2011. The IRA Army Council announced the end of its campaigns in 2005 as did the Irish National Liberation Army in 2009. The Free Aceh Movement (GAM), which started armed struggle in 1976, disbanded its military wing in exchange for considerable autonomy in 2005 (Aglionby, 2005, p. 18). Of course not all organizations using armed struggle as a strategy for liberation disbanded. Some of them are still active, some of them still resist to disarm. Some of them continue to use armed violence to be able to negotiate with their governments. New armed organizations are probably emerging as well. Taken as a whole, however, there is empirical evidence that these nationalist organizations do not engage in armed conflicts as a strategy of national liberation as often as they used to do. If we use frequency of armed conflicts in the world for national liberation as an indicator for state-seeking nationalist activities, then, we see a *declining* trend since 1992 (see Figure IX-12, below).

Figure IX-12: Frequency of Armed Conflict During Struggles of National Liberation, 1945-2011



Source: Author's calculations from UCDP/PRIO Armed Conflict Dataset by Gleditsch et al (2001) and Themner and Wallensteen (2012).

Here then is the riddle: What happens when we simultaneously see a rapid increase in state-seeking grievances and activities (see Chapter VIII), and a decrease in attempts to challenge existing governments by use of force? It is difficult to answer. In my opinion, these trends support the position that if there will be a wave of state-seeking movements in the 21st century which surpasses the previous ones, it will *not* occur gradually. External shocks such as wars among great powers (or revolutions with system-wide effects) will be more important in escalating state-seeking movements during this period of hegemonic crisis. Indeed, as we have seen in Chapter VIII, the history of state-seeking movements in the last 20 years, where external shocks have been among the most important determinants of nationalist upsurges, also support this view.

Hence, in order to assess the plausibility of our prediction of an increase in state-seeking movements in the 21st century we must turn our face to the intensification of inter-great-power rivalry and wars during the US systemic cycle. In all previous systemic

cycles of accumulation, the most recurrent and critical link that triggered nationalist movements was the opportunity structures created by inter-great power wars. But this link has not yet been visible in the US systemic cycle. According to Arrighi and Silver (1999) the absence of wars among great powers is a novelty of the crisis of US hegemony. As they put it:

the most important geopolitical novelty of the present hegemonic crisis is a bifurcation of military and financial capabilities that has no precedent in earlier hegemonic transitions. This bifurcation decreases the likelihood of an outbreak of war among the system's most powerful units. But it does not reduce the chances of a deterioration of the present hegemonic crisis into a more or less long period of systemic chaos (Arrighi & Silver, 1999, p. 275).

Unlike previous hegemonic crises, Arrighi and Silver (1999, pp. 275-282) underlined, the present crisis has further concentrated military resources in the hands of the declining hegemon on the one hand, and left this hegemonic power as the largest debtor nation of the world on the other. Hence, an abnormal situation emerged. No other great power can directly challenge the hegemon militarily; but the declining hegemon does not have the financial resources to provide any solutions to the system-level problems of the hegemonic order.

Despite this anomaly, it is too early to reach a verdict. We must not forget that during British hegemony it took almost a hundred years for wars among great powers to erupt; and it has only been sixty eight years since the end of World War II. Furthermore, since 2001 the declining hegemon has been trying to use its military power to provide solutions to its own crises through increasing military operations and wars. True, so far these operations have not provided any material benefits to the declining hegemon. They only speeded up the pace of decline. Moreover, as the recent Libyan and Mali interventions illustrated, the French government has started to play a more aggressive

role in recent military operations. As of now it is not yet clear to what extent they are acting as a junior partner of US operations as opposed to following their own interests. But there is a possibility that these are signs of an upcoming inter-great power rivalry. According to David Harvey;

[t]he Bush administration's shift towards unilateralism, towards coercion rather than consent, towards a much more overtly imperial vision, and towards reliance upon its unchallengeable military power, indicate[d] a high-risk approach to sustaining US domination, almost certainly through military command over global oil resources. Since this is occurring in the midst of several signs of loss of dominance in the realms of production and (though as yet less clearly) finance, the temptation to go for exploitative domination is strong. Whether or not this will lead later to a catastrophic break-up of the system (perhaps by a return to a Lenin's scenario of violent competition between capitalist power blocs) is hard even to imagine let alone predict (Harvey, 2003, p. 75).

What we can imagine and predict through our conceptual/theoretical framework is that, if Lenin's scenario occurs once again, the destructive capacities of the inter-imperialist war and the wave of state-seeking movements that will emerge with it would very likely surpass what we have experienced in the early 20th century. If this scenario does not happen, it is still possible that state-seeking movements will erupt here and there sporadically based on their organizational capacity or other forms of external shocks. But it would then be more difficult for them to challenge their rulers to a significant degree. Thus if Lenin's scenario does not occur, the majority of stateless nations might also enter a new era as "unfinished business".

China and State-Seeking Movements of the 21st Century

Precisely at this point, we must also take another factor into account for a proper projection of possible trajectories of state-seeking movements in the early 21st century. As we saw, at the core of Arrighi's theory lied the idea that every financial expansion (M—M') period started a systemic material expansion (C—M—C) period in another

geography. And new emerging political and economic agencies in these new geographies have been critical in shaping the political geography of the world in another long century.

During the US financial expansion period, one of the key regions which gave birth to a material expansion was China. Since mid-1980s, China has become one of the main regions of attraction for foreign capital and has become the most important site of industrial expansion and new working-class formation (Arrighi, 2007, p. 351; Arrighi & Silver, 1999, p. 286). Since the late 1980s China has increased its GDP per capita 12 times and has become the world's number one exporter country (Wolf, 2010; Gulick, 2011). This rise of China since the 1980s triggered many scholarly debates around whether or not China could rise to global preeminence out of this existing transition period by restructuring the world capitalist system and whether or not this would result in any significant change for the historical development of capitalism (Jacques, 2009; Arrighi, 2007; Panitch, 2010; Gulick, 2011; Mearsheimer, 2001). Our analysis does not tell anything about whether or not it is possible for China to emerge as a new hegemonic power. However, assuming that this is one of the possibilities, we would like to underline some of the interesting properties of this ascension.

As we have seen throughout this study, the emergence of periods of material expansion is a necessary but not sufficient condition to be able to gain "intellectual and moral leadership" of other members of the inter-state system. Hegemony is not merely an economic concept, it also requires political leadership. All previous hegemonic powers managed to gain intellectual and moral leadership over the majority of other powers by providing system-level solutions to system-wide political problems. In all cases, these attempts required a combination of *restructuration* and *restoration* of the modern inter-

state system, which had significant consequences in terms of nationalist movements. As we have seen, in the process of climbing the ladders of global political preeminence, the Dutch, the British and the US governments managed to lead a new group of nations into independence, while suppressing others.

In the course of our long historical analysis we observed that during the Dutch material expansion period, the United Provinces contributed to existing instability in the medieval political system by actively pioneering the state-seeking revolt against the Habsburgs and financing Protestant revolts all over Europe (Parker & Smith, 1978, p. 18; Lachmann, 2000, pp. 161-162). For the United Provinces, there was nothing much to restore in the former political system. The Westphalian inter-state system during Dutch hegemony was an entirely new construction. During the British material expansion period, the United Kingdom entered into a conservative coalition with the Holy Alliance to suppress all nationalist movements in Europe on the one hand, while they supported national liberation movements in Latin America and incorporated these new nations into the modern inter-state system, on the other hand. Thus they attempted to restore and preserve the European political-geography while restructuring the Latin American continent. During the US material expansion period, the United States became the defender of the "right of nations to self-determination" and played the most critical role in the restructuration of the political geography of Europe and of the World. Although the USA did her best to preserve the territorial integrity of her allies, there was a major restructuration of political geography of the world under US hegemony.

In short, all of these hegemonic powers played a key role in leading a group of nationalist movements to independence and suppressing others during their rise to

hegemony. Curiously, the extent to which they played with this "nationalist" fire was positively correlated with the scale of nationalist problems they had in their territories. The United Provinces, for instance, had almost nothing to lose because it was a state-seeking movement itself. Accordingly, they initiated a wholesale structuration. The United Kingdom, however, not only had lost its thirteen colonies during the hegemonic transition period but was dealing with the Irish nationalist movements during the period of transition. Thus they did not attempt to play with fire in Europe and entered into a conservative alliance with multinational monarchies. Thanks to the success of the "Civil War" in 1860s, the United States also became almost immune to the nationalist movements in the early 20th century. As a consequence, the US had nothing to lose from the Wilsonian "principle of right of nations to self-determination".

Where does China fit into this picture? Unlike the Dutch in the 17th century or the United States in the early 20th century, today, China is not immune to state-seeking nationalist movements. Thus her case is more similar to the case of United Kingdom. However, the intensity and strength of state-seeking movements in contemporary China is much higher than United Kingdom of the early 19th century. Since the 1980s, the Chinese government has constantly been dealing with state-seeking nationalist movements in Tibet and Xinjiang regions. Furthermore Taiwan continues to be an ongoing "national problem" and new grievances in Hong Kong are also emerging. Taiwan and Hong Kong do not have any significant territorial importance but they are two of the "cash-boxes" of the modern capitalist system. Parallel to the rise of state-seeking movements in 1980s in the world, these secessionist movements in Chinese territories are also becoming stronger and more visible. Self-immolations in Tibet, armed

violence in Xinjiang region, problems with Taiwan and to a lesser extent Hong Kong are not decreasing but increasing.

As we have argued elsewhere, today China has been utilizing a combination of old and new strategies to contain nationalist movements within her territories (Kumral & Karataşlı, 2012). Here we do not have space to discuss the impacts and importance of the diverse methods as possible new state-building strategies. However, for our purposes, it is important to underline that an integral part of the Chinese Communist Party's efforts to contain nationalist problems within their own territories has been to build an international coalition against state-seeking movements. The Chinese government - not without reason - seems to believe that it can only solve its internal problems by creating a more stable international order. For this reason, China's interests in material expansion and stability emerge as a counter-tendency that partly counterbalances the instabilities created by US-centered financial expansion period.

In Chapter VIII, we underlined that one of the reasons for the rise in state-seeking movements was the persistence of instability in Central Asia. In 2001, however, China pioneered the establishment of the *Shanghai Cooperation Organization*, consisting of China, Russia and four other former Soviet Republics (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan), to foster cooperation and combat terrorism in Central Asia. With the fall of the Taliban in Afghanistan in 2002, The *Shanghai Cooperation Organization* announced that they will cooperate further to combat "terrorism, separatism and extremism" to promote regional stability in Central Asia (Rosenthal, 2002, p. 12). Incorporating Muslim and Turkic republics in the organization, China used *Shanghai Cooperation Organization* skillfully to quell unrest among Uighur (East Turkestan)

Muslims within its Xinjiang region (Stern, 2008, p. 10). But this coalition also became a coalition against many secessionist movements in Central Asia that remain as "unfinished businesses" of the late 20th century. In a way this was an attempt to reverse the persisting instability in the region.

Moreover, since the 1990s, mutual respect for territorial integrity and preservation of the *status quo* has become one of the political components of the trade agreements and relationships China has been establishing in the post-colonial developing world. As we have seen, most of the developing regions of the world including India, Pakistan, Indonesia and various parts of Africa have been suffering from increasing state-seeking movements in their territories. In bilateral or multilateral agreements, China has not only been recognizing the sovereignty of these developing nations in their territories but also providing them with financial sources that can be used to "contain" existing nationalist movements in their territories. In Chapter VIII, we have underlined the failure of development policies in the post-colonial periphery as one of the factors which contributed to the persistence of nationalist movements. China's foreign investment strategy today seems to be very different from investment strategies of the Western countries. China as a growing regional power does not hesitate to invest in highly unstable regions such as parts of Africa, Syria, Iran, Pakistan or Afghanistan (Perlez, 2012). We do not know if these investment policies can make any change in these regions but as we have seen in Figure VIII-11, since 2001, the average GNI per capita of the bottom percentiles of the world has started to increase almost for the first time since the 1960s.

Furthermore, China seems to be avoiding to engage in or support any action that might trigger further instability in the world. During trade talks between China and India in the early 1990s, China has been pushing the Indian government to recognize that Tibet was a part of China and they succeeded. India unequivocally declared that Tibet was a part of China (Gargan, 1991). In the same talks, India was pushing China to support her Kashmir policy. However, realizing that this would create further conflict with Pakistan, China rejected to support India on this issue. Rather they emphasized that to solve the Kashmir problem, there should be a further rapprochement between Pakistan and India (Gargan, 1991).

This policy seems to be a more general one. When Kosovo unilaterally declared its independence in February 2008, China -together with Serbia, Russia, Georgia and Spain - refused to recognize Kosovo (Freund, 2012; Richter & Baum, 2008). China not only denounced the independence of Kosovo but also made one of the strongest criticisms, stating in the international arena that sovereign states have the right to protect their integrity and prevent unilateral secessions.

During the Olympic games in Beijing in 2008, as another example, Georgia attacked Abkhazia and South Ossetia, which seceded from Georgia in the early 1990s. And this time Russia recognized the independence of these two countries and brought the issue to the Shanghai Cooperation Organization. However China, together with other members, refused to back Russia on this issue.

As we mentioned in Chapter VIII, Chinese government's attitude toward South Sudan problem was similar. China had multi-billion dollar investments in Sudan that

were concentrated mainly in the oil sector. For this reason, China did not want any instability in the region and opposed UN Security Council plans for a military intervention in Sudan by using its veto powers (Njoku, 2010, p. 354). As the conflict between (North) Sudan and South Sudan grew, China first assumed the role of the mediator. After the point of no return, it tried to do its best to establish trade relationships with South Sudan, preserving its existing links with Sudan.

If we analyze these tendencies in light of the dynamics we underlined in Chapter VIII, we see an interesting contrast. While US-led wars and military operations have been contributing to the emerging instability in various parts of the world, requirements for sustaining its material expansion have been pushing China to preserve the political *status quo* in the world. Thus especially in East Africa, North Africa and the Middle East, US interests and Chinese interests start to be antagonistic to each other.

As we emphasized before, our analysis does not tell anything about whether or not it is possible for China to emerge as a new hegemonic power. However, material expansion period that started in East Asia created some counter-tendencies for trends we described in Chapter VIII. Thus through the lenses of our theoretical/conceptual framework, these counter-tendencies must also be seriously taken into account.

Conclusion

In short, our historical comparative analysis suggests that there is not much reason to expect a decline in nationalist movements in the early 21st century. In particular periods of historical capitalism - during transitions from financial expansion to material expansion periods and from hegemonic crisis to hegemonic consolidation periods - the

trajectory of state-seeking movements may resemble an "Inverse-U" curve, especially in regions which benefit from the hegemonic consolidation and material expansion. This was the tendency observed by various scholars of nationalism who examined the trajectory of nationalism in the West, right after World War II. Our *longue durée* analysis points out that this "relative decline" of state-seeking movements has been a recurrent tendency of historical capitalism and it is only temporary. As material expansion reaches its limits and as hegemonic crisis starts, macro-structural environment provides new opportunity structures for state-seeking movements to mobilize.

Hence, similar to previous periods of financial expansion and hegemonic transition of historical capitalism, today we are living in a period where macro-structural conditions are becoming - once again - fertile for state-seeking movements. There is not much reason to believe that globalization or cosmopolitanism will erode national identities. On the contrary, since late 1960s we have already started to observe the intensification of a new major wave of state-seeking movements with the crisis of the US hegemony. Through our historical-comparative analysis, we argued that nationalist revivals of the late 1960s and the nationalist upsurge of 1988/92 are nothing but the signals of a major wave of state-seeking movements, which will further intensify with the demise of the US hegemony. It is very possible that new forms of nations and nationalism will also emerge in the years to come. We must appreciate that nations and nationalist movements are living forces of modern history, which have been constantly changing and transforming. Although our long-historical analysis disclosed some of the macro-structural factors that contributed to the ongoing transformation of nations and nationalist movements, unfortunately there is no exact way of predicting the possible new forms

these movements might take in near future. What social scientists can do is to examine the contemporary movements which demand statehood and independence very carefully to differentiate between what is *new* and *novel*; and what is *traditional* and *conventional* in these movements.

Finally, our analysis highlights that although there are convincing reasons to expect that the contemporary wave of nationalist movements might be stronger than the previous waves, eruption of a stronger wave of nationalist revolts is *not* inevitable. In the contemporary era of financialization and hegemonic crisis, there are tendencies which contribute to the intensification of nationalist upheavals as well as counter-tendencies which simultaneously forestall them. Both of these processes are contingent upon how the decline of the US hegemony will proceed in the coming decades.

APPENDIX A: THE ROLE OF THE GENOESE IN THE STATE-BUILDING ACTIVITIES IN THE IBERIAN PENINSULA

In Chapter III, our examination of the development of historical nationalism during the Genoese-Iberian systemic cycle of accumulation primarily focused on the state-building activities of the Iberian rulers and the emerging counter-movements against these policies. Then it becomes an imperative to answer the following question: What is the role of the Genoese in the state-formation processes of the Iberian monarchs?

Assessing the role of the Genoese in the state-building processes of the Iberian peninsula is an arduous task. The mechanism of "political exchange" between the Genoese merchant-bankers and the Iberian rulers makes it extremely difficult to examine the role of the Genoese in the state-building activities of King Ferdinand and Queen Isabella. Throughout the whole period Genoese merchant-bankers were a community in diaspora who settled in cities such as Cordoba, Cadiz and Seville. By 1503, as a Venetian ambassador reported "one third of Genoa [was] in Spain" (Lopez, 1964, p. 461). Despite their growing size and economic strength, there is no evidence - to my knowledge - which shows that these merchant-bankers in diaspora were interested in intervening Iberian political affairs¹. On the contrary, the Genoese merchant-bankers seemed to be extremely uninterested in Iberian politics. They needed protection for their trade and they bought it from the Iberian rulers in exchange for their commercial services. This,

¹ This can be contrasted with the German financiers - the Fugger - which had explicit political ambitions, indeed.

however, does not mean that the Genoese merchants did not have any effect on the political atmosphere of the Iberian peninsula. Albeit unintentionally, they played key roles in a number of areas.

First of all, by outmaneuvering the Catalan-Aragonese power in the Iberian peninsula, the Genoese contributed to the change of the balance of power in the Iberian Peninsula in favor of the Kingdom of Castile. As is well known, by the late fourteenth century, there were four main rival kingdoms in the Iberian peninsula: the Kingdom of Granada, the Kingdom of Portugal, the Kingdom of Castile and the Crown of Aragon (Merriman, 1996, p. 187; Elliott, 2002)². The Crown of Aragon was itself a federation of three main kingdoms: Aragon, Catalonia³ and Valencia. As J. H. Elliott underlined, this federation's name was very misleading because the most important part of the federation was not Aragon but Catalonia:

"the kingdom of Aragon, the dry hinterland, was the least important part of the federation. The dynasty was Catalan, and it was Catalonia, with its busy seaboard and its energetic population, which played the preponderant part in the great overseas expansion of the Crown of Aragon. The Catalan achievement was prodigious. Between the late thirteenth and the late fourteenth centuries this nation of less than half a million inhabitants conquered and organized an overseas empire, and established both at home and in its Mediterranean possessions a political system in which the conflicting necessities of liberty and order were uniquely harmonized" (Elliott, 2002, p. 27).

Catalans were a strong economic and political power in the peninsula and in Europe as a whole. They established a strong commercial empire and they became the main competitors of Venice and Genoa for the spice of the Eastern Markets and the

² It is possible to count Kingdom of Navarre as a fifth significant power, although in terms of their area (they constitute 2.1% of the total area of the peninsula) and their population (1.6% of the whole population in the peninsula) they constitute a smaller polity (Elliott, 2002, p. 25). Yet according to Charles Tilly the Kingdom of Navarre played a critical role in the political processes especially in the formation of political alliances in the peninsula (Tilly, 1993, pp. 79-81).

³ Although historians often use this term, County of Barcelona would be more accurate.

remaining bits of the commercial benefits in the Mediterranean. Politically they became masters of Sardinia and Sicily. Furthermore, through streaming the fruits of this trade in the political sphere, they were among the first to establish the public order in their kingdom and in the Crown of Aragon as a whole. Thus in the early fourteenth century when Kingdom of Castile was busy with political and social chaos (Marx, 2003, p. 40; Elliott, 2002, p. 27), the Crown of Aragon, with the help of the Catalan power, represented peace, prosperity and stability⁴.

During the crisis of the fourteenth century, together with other Italian communes city-states and other European communities who were living off the Mediterranean trade, the Aragonese Federation entered into a phase of decline. This was not due to misfortunes of Kingdom of Valencia or Aragon. On the contrary, the Kingdom of Valencia, for instance, had entered into its "golden age" (Elliott, 2002, pp. 31-36). The main reason behind the decline of Aragon was the Kingdom of Catalonia, which started to face a series of economic and political disasters. Economically the Catalan region met its first famine in 1333 (*lo mal any primer*, 'the first bad year') and faced widespread plagues in 1347 and in 1351. Although the Catalan merchants started to quickly recover from the initial losses of natural misfortunes, the "surprising speed" of this recovery was slowed down with the crash of banks of Barcelona in the 1380s in the midst of the 14th

⁴ As Elliott described before the fourteenth century, the Crown of Aragon "was imbued with a contractual concept of the relationships between king and subjects, which had been effectively realized in an institutionalized form, and it was well experienced in the administration of empire. In all these respects it contrasted strikingly with medieval Castile. Where, in the early fourteenth century, the Crown of Aragon was cosmopolitan in outlook and predominantly mercantile in its inclinations, contemporary Castile tended to look inwards rather than outwards, and was oriented less towards trade than war. Fundamentally, Castile was a pastoral and nomadic society, whose habits and attitudes had been shaped by constant warfare" (Elliott, 2002, p. 31)

century crisis (Elliott, 2002, pp. 36-37; Arrighi, 2010, p. 119; Núñez & Tortella, 2003, p. 115).

The Genoese economic rivalry with Catalans coincided with this period and this rivalry hit the most decisive blow to the Catalan power. At the end of the 14th century, the Genoese merchant-bankers - who started to focus more into the Western Mediterranean trade after their unsuccessful attempts in the Eastern Mediterranean and the Black sea region - challenged the Catalan merchant-bankers in three key areas. The first area was the issue of financing the kingdom of Aragon. The second area was the control of the spice, cloth and corn trade in the Southern European trade zone. And the third area of struggle was related to seizing the opportunities created by the Kingdom of Castile's wool trade, which started to offer exceptionally rich prizes due to its monopolistic control of the wools sent to the Low Countries. The crisis of the 14th century which had already hit the primary banks of Barcelona⁵ helped the Genoese to gain victories in these areas. Soon the Genoese diaspora became the key economic power of the Iberian peninsula especially in Spain (Elliott, 2002, pp. 36-39; Arrighi, 2010, p. 119; Kamen, 2005, p. 13).

In the fifteenth century the Genoese were not only substituting the Catalan power day by day by financing the Crown of Aragon but they were establishing a "solid alliance" with Castile as well (Elliott, 2002, pp. 36-39; Tilly, 1993, p. 80). This was the invisible dynamic which played a key role in *changing the balance of power in the peninsula permanently*. As Elliott (2002, p. 39) so correctly underlined "if Catalans rather

⁵ As Elliott put it: "Between 1381 and 1383 there were spectacular failures of Barcelona's leading private banks. The financial crisis gravely weakened the city's standing as a market for capital, and eased the way for Italian financiers to assume the role of principal bankers to the kings of Aragon. Genoa in particular made skilful use of the opportunities created by the failure of Catalan finance, and succeeded in converted itself into the financial capital of the western Mediterranean" (Elliott, 2002, p. 38).

than Genoese had won the struggle for entry into the Castilian commercial system, the history of a united Spain would have taken a profoundly different turn"⁶. Although we cannot know how the history of Spain would have evolved if Catalans had not lost against the Genoese, we know one fact for sure: the Genoese made the fatal blow against the Catalans by taking away their chance to quickly recover from their crisis. That's why the Genoese entrance into the Catalan zone of influence must be considered as one of the key factors which contributed to the change of balance of powers in the peninsula⁷.

The role of the Genoese in the state-building activities of the Iberian kingdoms was not limited to strengthening Castile relative to Aragon and making the alliance possible. They played their *second* role by enabling Castilian monarchs to extend their overseas territories in the late 15th century, which is recognized as one of the most important turning points in the European and the world history. The Genoese were closely involved in oceanic exploration and they played a vital role in the transatlantic discoveries of King Ferdinand and Queen Elizabeth (Armstrong, 1982, p. 72). In his early career Christopher Columbus - born in 1451 in Genoa - was an agent of the Genoese banking house of *Centurione* before he decided to find a Western route that would lead to India (Kamen, 2003, p. 41). Columbus, however, was not the only Genoese merchant

⁶ Although it would be in vain to speculate on the possible different turns of history if the Catalans had won the struggle, it may still be useful to highlight some possible scenarios. For instance, if Catalans had won the war and kept their economic strength the whole trajectory of the "Aragonese succession crisis" might have evolved differently when King Martin I of Aragon died without a legitimate heir and a will in 1410. If they had not been so weakened by the Genoese, the Catalans would have had greater unity among themselves and bargaining power against the Valencian and Aragonese representatives during *The Compromise of Caspe (1412)* in avoiding a Castilian king in 1412 (Bisson, 2000, pp. 133-136). Under these circumstances the personal union of Castile and Aragon may not even have occurred in 1469.

⁷ Also that's why if the end of Hundred Years War and the emergence of renewed tensions with France is an *external* dynamic that forced the defensive alliance between Castile and Aragon (Marx, 2003, p. 40), then penetration of the Genoese capital into Iberian territories and strengthening of the Castile relative to the Aragon was an *internal* dynamic that helped the development of this alliance.

who was interested in the overseas expeditions at the time. There were many Genoese merchants who were trying to find trade routes that could be an alternative to the Mediterranean path. Some of these Genoese merchants, for instance, discovered the Canary Islands and turned it into a site of primary production (Elliott, 2002, p. 58; Wallerstein, 1974, p. 169). Others contributed to the exploration of the African coasts.

In addition to conducting them, the Genoese also financed these expeditions. In the 1480s, Alonso de Lugo's famous conquests of the islands in the Atlantic were financed by Genoese financiers (Kamen, 2005, p. 6). So were the expedition for the New Indies. As many have noted before, the stories about Queen Isabella selling her jewelries to pay for Columbus's journey is nothing but a fiction (Lachmann, 2000, p. 151; Sale, 2006, p. 92; Davis, 1973, pp. 39-40). The true source of the Columbus expeditions - as well as many others - were the Genoese bankers⁸. As Eric Wolf put it "[the Genoese] helped finance the Spanish voyages to the Western Hemisphere in the fifteenth and sixteenth centuries. Major participants in this process were the families of Spinola, Centurioni, Guistiniani and Doria" (Wolf, 1997, p. 114). In the case of Christopher Columbus, this Genoese banker was Francisco Pinelli (Wolf, 1997, p. 114; Sale, 2006, p. 92).

These geographical discoveries did for Castile what the crusades had done for the Genoese in the 1000-1300 period, it triggered the material expansion period. It can be argued that without these Genoese overseas economic activities, it would be extremely difficult for the Castilian Kings to sustain the union of Castile and Aragon as well.

⁸ Sale (2006, p. 92) also underlined the role of the first the *converso* bankers (Jewish bankers who converted into Catholicism) in this process.

Because in this union, - as we will see in more detail below - the Kingdom of Castile was the privileged location not Aragon. Thus any grievance of the Aragonese nobility could easily turn into a rejection of this unequal union between old rival kingdoms and into a conflict. The secret of the sustained stability lied in the fiscal privileges Ferdinand and Isabella offered to the Aragonese Cortes. Of course, the most important privileges was about the fiscal issues: The Catholic Kings did not attempt to increase direct taxes collected from the Cortes of Aragon and left them almost untouched. And this privilege could probably not have been offered by the Catholic Kings if the Genoese merchant-traders did not offer a number of alternative resources for the Castilian crown. Thus this economic expansion had direct political consequences.

Furthermore, the emergence of strong Genoese merchant-bankers who were very loyal to the peninsula was also one of the factors which altered the social structure of the peninsula, which had been based on a strict cultural division of labor. As Castro in his *Structure of the Spanish History* underlined historically "Christian population made the war and tilled the soil, the Moor built the houses, and the Jew presided over enterprise as a fiscal agent and skilled technician" (Kamen, 1965, p. 3; Hauben, 1969, p. 38). Although this is obviously an exaggeration of the picture, it is true that the Jewish populations' primary role in Spain was the role of a fiscal agent and skilled technician. "In both Castile and Aragon Jews or families of Jewish origin were prominent financiers and tax-gatherers, serving kings, nobles and the Church" (Kamen, 2005, p. 38). Especially in Castile, Jews' position in the kingdom was more central because under the Castilian-Catalan rivalry, financiers of Jewish origin were critical to counter the Catalan influence. But the entrance of Genoese into the Iberian economy changed the picture. The Genoese

not only changed the balance of power in the peninsula in favor of the Castilian Kingdom, but also changed the social structure of the Castilian society at expense of the Jewish population. If the Jews' positions in the "cultural division of labor" of the Castilian social structure were no longer indispensable for the Castilian monarchs in the late 15th century, the presence of Genoese in Castile played a critical role in the royal decisions⁹.

All of these examples illustrate that the role of the Genoese in the state-building activities of the Catholic Kings was important but *indirect*. This must be seen as a peculiarity of the "political exchange" mechanism. In what follows, we will investigate state-building activities of the Iberian monarchs. Although we will not constantly refer to the role of the Genoese in these processes, it must be kept in mind that the indirect role played by these merchant-bankers was crucial not only in consolidating the "Spanish" territories but also in making the "Spanish-Habsburg bid for world power" (Kennedy, 1989) possible in the 16th century.

⁹ Besides these major roles, it can also be argued that the Genoese also played a significant but quite invisible part during *the Reconquista*, thus in the territorial expansion process of the Castilian monarchy, as well. Although the conquest of the Kingdom of Granada was made possible by a mixture of military revolution and diplomacy, the Genoese also played their part by *not* providing transport for North African troops coming to aid Granada and squeezing the financing of the Kingdom of Granada, which was historically heavily financed by them.

APPENDIX B: STATE-SEEKING NATIONALIST MOVEMENTS (SSNM) DATABASE

The State-Seeking Nationalist Movements (SSNM) database is one of the key sources we used throughout our analysis. The SSNM database was created by the author in order to provide a reliable measure of long-term, world-scale patterns of nationalist movements. Finding an appropriate source for the analysis in this research was among the primary challenges of this study. As we have discussed in the "Introduction", existing databases in the literature did not suit our purposes because (1) they provided a more limited definition of nations and nationalism, (2) they did not satisfy the temporal and geographical scope of state-seeking nationalist movements of this study, and (3) they did not examine the trajectory of nationalist movements which failed. The SSNM database aimed to address these limitations.

Definition of State-Seeking Nationalist Movements

One of the key conceptual problems we attempted to address in this research was that the content of nationalist sentiments and movements were subject to change across time. In order to be able observe the changes in the characteristics of nationalist movements, the SSNM database utilized a broad definition of nationalist movements. Following Max Weber (1946, p. 172), we defined a nation as "a community which normally tends to produce a state of its own" without putting any *a priori* constraint on what constitutes a community.

Thus any event, demand or activity to establish a new state is included in our definition of state-seeking nationalist movements.

- This definition includes any kind of parliamentary and extra-parliamentary activities of individuals, peoples or organizations which demand secession, separation or independence.
- Considering that many nationalist movements often manifest themselves through demands of autonomy, struggles and demands for autonomy were also included these in our definition but they are coded separately.
- Demands, struggles or activities of people or organizations which do *not* aim to establish a new state or nationalist activities led by existing states are *not* included in our definition.
- If a group of people attempted to secede from one state to become a part of another state, this is regarded as a state-seeking movement. But if an existing state claimed a particular territory in another state, this is *not* considered to be a state-seeking movement.

Utilizing Newspaper Archives for Collecting Macro-Historical Data

The SSNM database has been compiled from reports on state-seeking nationalist movements using newspapers of the world hegemonic powers. There are many studies which collect data from newspaper archives to explain various types of conflict for historical and social scientific analysis (McAdam, 1982; Franzosi, 1987; Paige, 1975; Tilly, 1978). However, as Silver (2003, p. 191) observes, the majority of these studies collect data from a “national newspaper” to measure instances of social movements within a state. These methods are not adequate for a world-systemic analysis of social

unrest. The World Labor Group attempted to create reliable indicators of world-level labor unrest relying on the major newspapers of the world's hegemonic powers. They used the indexes of *The Times (London)* and *The New York Times*, which had world-level information-collecting capabilities throughout the twentieth century. As Silver (2003) underlines, using newspaper indexes has particular advantages and disadvantages. On the disadvantage side, the procedure of recording events from indexes results in a slight undercounting of the number of articles regarding labor unrest, which seems to be consistent across time, thus negligible. On the advantage side, however, using newspaper indexes save time (cutting the time by at least one-half compared to finding articles from micro-films).

In choosing newspapers for a source to generate a macro-historical dataset of social/political movements, we followed in the footsteps of the World Labor Group (WLG) Database on labor unrest (Silver B. J., 2003, p. 181). Similar to the WLG database, the SSNM database also relied on major newspapers of the world's hegemonic powers. However instead of using newspaper indexes we used digital search engines of historical newspaper archives. Digital historical newspaper archives and their search-engines provide us with further opportunities that the World Labor Group (WLG) did not have. Digital search engines of historical newspaper archives let users search a particular "search string" (a string of keywords and wildcards) in title, abstract, citations or the entire content of articles in a given period of time. The search string produces results of matched articles, which can be downloaded as *pdf* files.

Compared to indexes, these search engines give more control to the users. It is not possible to know exactly how newspaper indexes were generated and categorized. Even

if one could know how indexes were generated and categorized, he/she would not have the opportunity to modify these categories according to his/her needs. Using digital newspaper archives and their search strings, however, we substantially increase our control over the data collection procedure, which increases the reliability of our data. But as we will discuss below, automated search results do not reduce the labor intensive work of researchers, and it creates additional challenges.

The SSNM database was built using the *ProQuest Historical Newspapers Database* to search the content of historical newspapers. Although WLG used *The Times(London)* and *The New York Times* as their two sources, the SSNM database relied mainly on *The Guardian* newspaper. We used *The Times* and *The New York Times* to compare the reliability of the findings provided by the *Guardian* database. Our choice of *The Guardian* instead of *The Times* or *The New York Times* is related to the constraints of digital historical archive databases. *The Times (London)* newspaper is not included in *ProQuest Historical Newspapers Database*. Although its indexes are accessible from *Palmer's* index search, this engine only allows for searches within indexes *not* the article content. *Infotrac* provides with a search engine to search within the articles of *The Times (London)* from 1785-1985, however, search engines used by *Proquest* and *Infotrac* databases are different from each other, which creates problems regarding the comparability of results. Thus we did not use *The Times (London)* as a primary source. Likewise, *The New York Times* was available through *ProQuest* only from 1851 to 2009. It did not include the period before 1851. Although we collected data from the *New York Times* for this entire period as well, in our representation of the frequency of state-

seeking movements in this study, we only used results by *The Guardian* to provide a reliable indicator based on a consistent single source over-time.

The Guardian is a British newspaper, which had world-level information-collecting capacities throughout the nineteenth and the twentieth centuries. Thus geographical bias due to the technological limits of newspaper reporting during these periods was not a major problem. Since the United Kingdom was the hegemonic power in the 19th century and the junior partner of the hegemon with a considerable interest in world affairs in the 20th century, reports provided by *The Guardian* were global in both centuries. This was a particular advantage for reducing the geographical bias in reporting.

Similar to the WLG study, we originally attempted to combine data from *The Guardian* and *The New York Times* into a single indicator. This method was especially preferable in order to counter-balance possible regional biases of the US and the UK based sources. In their study, World Labor Group underlined that

while the reporting of both newspapers[*The Times (London)* and *The New York Times*] is global, both also show regional biases, apparently in favor of areas that have historically been considered spheres of influence or interest, for example, South Asia and Australia for *The Times (London)* and Latin America for the *New York Times*. By combining the two sources into a single indicator of world labor unrest, we may counterbalance the regional biases of each source taken separately (Silver B. J., 2003, p. 191)

However, for two reasons we decided not to integrate our data into a single indicator. First of all, the total number articles produced by *The New York Times* is on average five times more than any other newspaper, including *The Guardian* and *The Times (London)*. Secondly *The New York Times* does not produce any results before 1851. Hence, creation of a single indicator combining any newspaper with *The New York*

Times would have artificially increased the frequencies of state-seeking movements after 1851. Furthermore despite the differences between the total number of results produced, our tests regarding regional bias of *The New York Times* and *The Guardian* in the post-1851 period underlined that such regional bias in reports about world-wide secessionist and separatist movements were minimal. Thus we used *The Guardian* as our primary source and used two other sources, *The New York Times* and *The Times (London)*, in order to check the reliability of our indicator in different time periods.

Table A-1: Newspapers Used in the SSNM Database

Newspapers Used in SSNM Database	Time-Period	Historical Newspaper Database	Other Sources Used to Check Reliability
<i>The Observer</i>	1791-1821	ProQuest	<i>The Times (London)</i> (via Infotrac) <i>The Times (London)</i> (via Infotrac) from 1821 to 1851 and <i>New York Times</i> (via ProQuest) from 1851 to 2003 <i>The Guardian</i> and <i>The New York Times</i> (via LexisNexis) from 1984-2003 <i>New York Times</i> (via LexisNexis after 2003).
<i>The Guardian</i>	1821-2003	ProQuest	
<i>The Guardian</i>	2003-2012	LexisNexis	

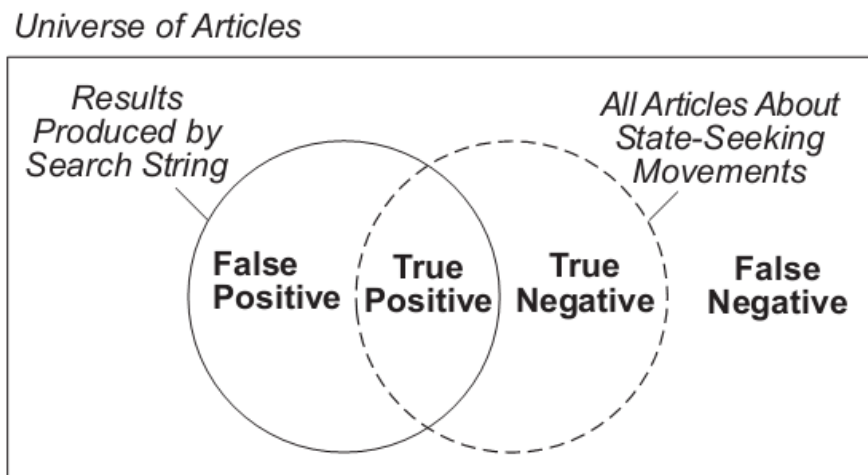
ProQuest Historical Newspapers Database provides *The Guardian* (1821-2003) and *the Observer* (1791-2003) as a bundle. It lets users search the content of *the Observer* from 1791 to 2003 and of *the Guardian* 1821 to 2003. This provides the users with an opportunity to search the 1791 to 1821 period, but it also creates the problem of double counting after 1821. In order to avoid double counting we only used *the Observer* from 1791 to 1821 and *the Guardian* after 1821. Furthermore, for period after 2003, we used *LexisNexis Academic Search* to use the search within *The Guardian* newspaper using the

same "search string"¹⁰. Table A-1, above, shows the newspapers used in the SSNM database, their time period, the historical newspaper databases that we used to get information and other sources/databases we used to check the reliability of the results.

Data Collection Procedures

Generating "Search Strings"

The first step of our data collection procedure was the process of finding an optimum search string. Our attempt is to find a search string which would (1) maximize the number of results with articles about state-seeking movements (true positives), (2) minimize the number of results with articles which are not about state-seeking movements (false positives), and (3) minimize the number of articles about state-seeking movements that are not captured by our search string (true negatives).



This is not an easy task. When we expand the keywords in our search string to minimize true negatives, we also increase the number of false positives. If we use a very

¹⁰ LexisNexis Academic Search lets users search *The Guardian* (London) newspaper from 1984 to today. Our comparison of the *Proquest* and *LexisNexis* results between 1984 and 2003 showed that search engines worked the same way and the same search strings provided the same number of results from *The Guardian*.

limited search string to minimize false positives and maximize true positives in the results, we also increase the number of true negatives. Testing over twenty different keywords with different search options, the SSNM database chose “*secess* OR separat* OR nationalis* OR independen* OR autonom**” as a search string without any other specification¹¹.

Through “ProQuest Historical Newspapers: The Guardian (1821-2003) and The Observer (1791-2003)” we conducted an “All fields (no full text)” search utilizing the search string above. Our main concern in performing an “All fields (no full text)” search was to maximize the number of reports that are actually related to “state seeking nationalist movements” and to minimize the number of false positives. The end result of the first step of our data collection was the compilation of all newspaper reports that included either *secess**, *separat**, *nationalis**, *independen** or *autonom** in their abstracts. The number of newspaper report we gathered together is 16,525¹².

Eliminating False Positives and Coding

In the second step of our data collection process, we read all newspaper reports we compiled in the first step to decide whether it is a true positive or a false positive. Among 16,525 results 3,838 (23 percent) of them were true positives.

We coded the following information about each true positive into our database using MS ACCESS: (1) Date and Title of the Article, (2) Name of the "state-seeking nation" as it is stated in the report (i.e. Tamil, Tuareg, Kurd etc), (3) Name of the State

¹¹ (*) sign Autonom* produces results such as "autonomy", "autonomous", "autonomist" etc.

¹² Between 1821 and 1985, the London (Times) produced 14,108 results whereas *The New York Times* produced 45,193 results.

(i.e., Sri Lanka, India, Iraq etc.). If in one article there were mentions of different nations, they were coded independently.

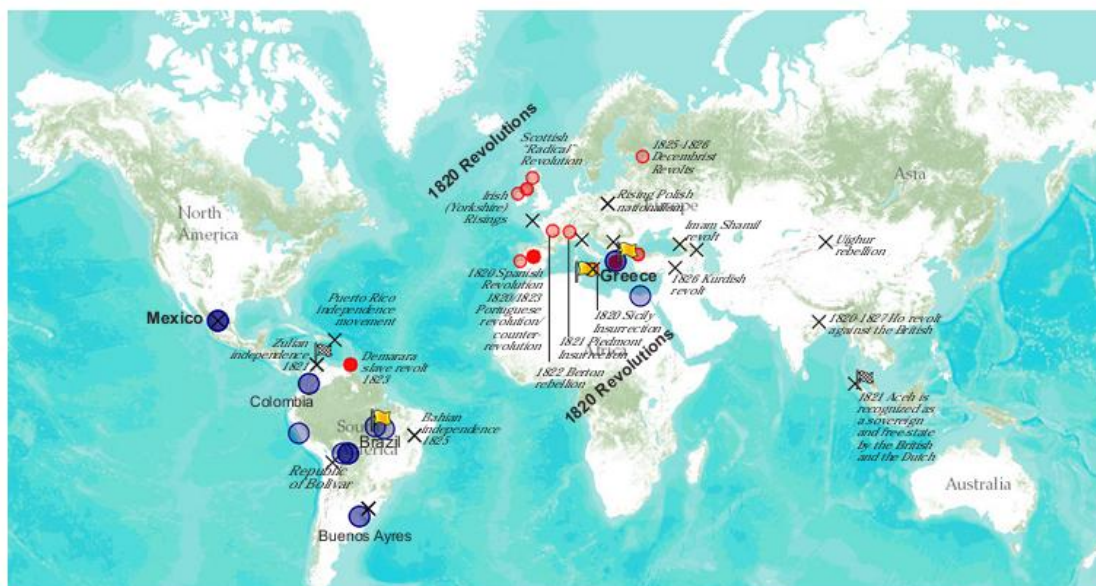
Assessing the Reliability of the SSNM Database

The SSNM database is *not* intended to capture all or even most incidents of state-seeking nationalist activities in the world but to capture time-periods and regions which see significant intensification or diminution of state-seeking activities. Thus the absolute number of mentions in the SSNM database in a given year does not have meaning. What is important, for our purposes, is to have a reliable measure that shows us the rise and fall of movements over time and the geographical changes in the concentration of state-seeking activities. Keeping these considerations in mind, the reliability of the SSNM database was assessed in three steps.

First of all, for selected time periods, we compared the temporal and geographical trends that *The Guardian* produces against the trends produced by *New York Times* and *The Times (London)* newspapers. This step was critical to make sure that our source selection does not create a significant bias for a particular period or for a particular region.

Secondly, we used secondary datasets and existing historical studies to see if the temporal and regional patterns we see through our database can be supported. As we have noted at the beginning of this Appendix and in the Introduction of our study, there is no existing dataset in the literature, which provides data exhaustive enough to study the macro-historical trajectory of state-seeking nationalist movements. Thus there is no single database which can be used to check the reliability of the SSNM database. For

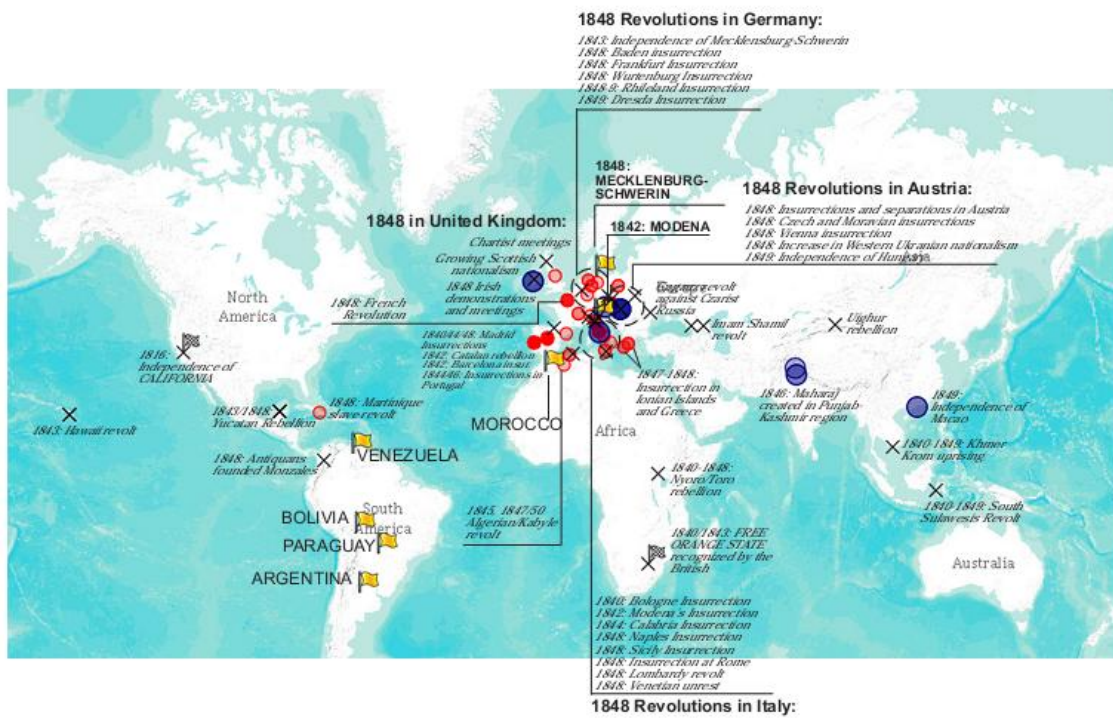
these purposes, we used a combination of lists of events and datasets produced by Hayes (1959), Smith (1971), Tilly (1993), Gleditsch and Ward (1999), Gleditsch *et al* (2001), the Minorities at Risk database (2009) and Minahan (2002) to see whether or nationalist movements, regional and temporal patterns mentioned in these studies are included in the SSNM database. For each decade we prepared maps of events using these databases and checked if the SSNM database has a systematic bias or not (see examples below). In cases where results provided by the SSNM database were different from other sources, we checked the secondary sources.



1820-1829



1830-1839



1840-1849

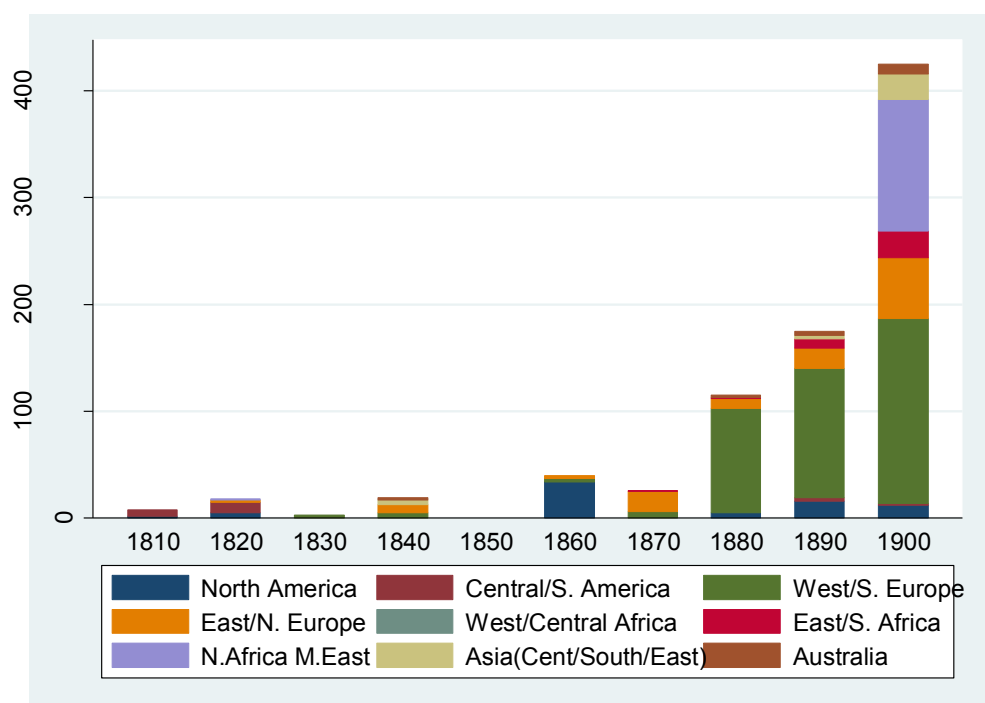
Finally we generated a list of all historical and contemporary national movements from secondary sources to check the comprehensiveness of our dataset. For this purpose,

we first categorized a list of state-seeking national movements in history from secondary sources. Our list included three types of stateless nations:

- Historical state-seeking nations which gained their independence (e.g. Belgium, Greece, Algeria). We utilized Gleditsch and Ward (1999) for this purpose.
- Contemporary stateless nations, which still do not have a state of their own but struggle for one (e.g. Kurdish movement, Tamil movement, Tuareg movement). For this group we utilized three major encyclopedias of current national independence movements such as *Encyclopedia of Stateless Nations* (Minahan, 2002) and *Encyclopedia of Modern Separatist Movements* (Hewitt & Cheetnam, 2000)
- Finally, there are historical stateless nations, which struggled for statehood in the past but are currently not active. For the third and final group, we utilized Anthony Smith's (1971) list of historic nations listed in his *Theory of Nationalism*.

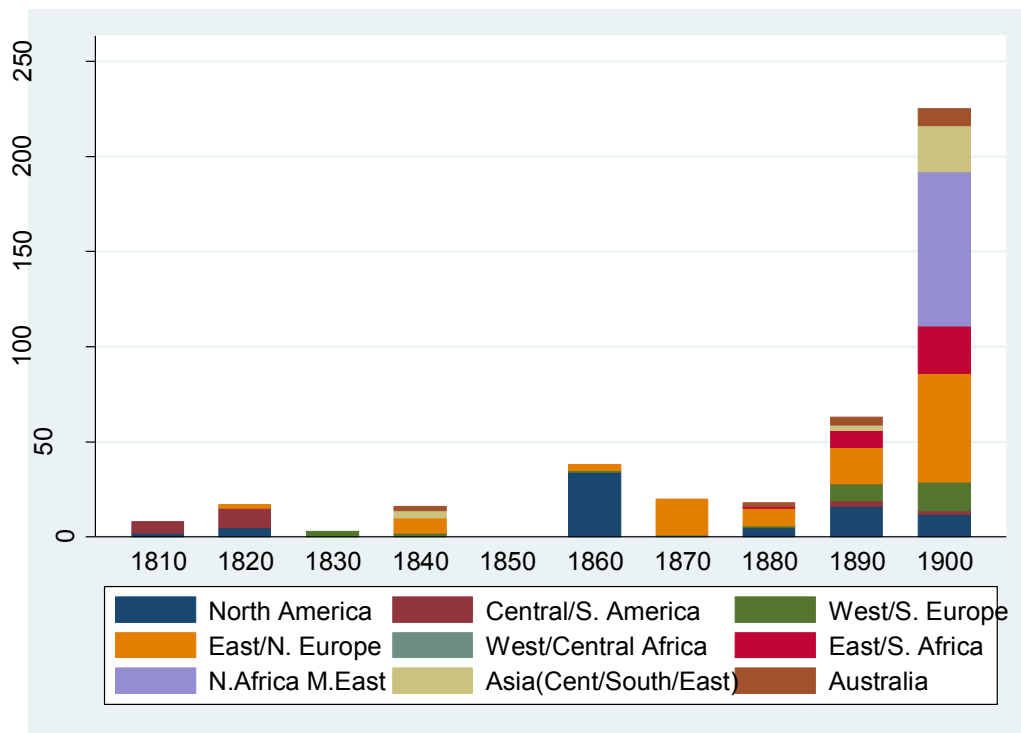
As we underlined we do not expect the SSNM database to be comprehensive, however, these reliability studies were important to make sure that SSNM database does not have a particular regional or temporal bias. These tests underlined that there is no significant difference between results produced by *The Guardian*, *The New York Times* and *The Times (London)* that would affect the historical and geographical distribution of state-seeking nationalist movements. In terms of differences, there was a bias in favor of reporting on nationalist movements within the territories of the United Kingdom and to

some extent the British Empire. Because *The Guardian* was a British newspaper, nationalist movements in Britain were overestimated relative to those in other areas. Of all true positives, 1630 of them (9.8 percent) belonged to the Irish movement; 1223 of them (7.4 percent) belonged to the Scottish movement; and 1071 of them (6.5 percent) belong to the Welsh movement. Other state-seeking movements from the British Isles were around 1 percent. Taking this bias into consideration, in our historical frequencies we did not include the movements inside the British Isles. Likewise, in the late 19th century, the nationalist movement in Egypt was slightly over-estimated by the SSNM database compared to New York Times. However none of these over-estimations changed the historical patterning we described in these figures. Even exclusion of these territories revealed a very similar pattern. For instance if we do not exclude the movements in the British Isles (Irish, Welsh, Scottish etc.) the temporal distribution of the 19th century looks as follows.



Source: SSNM Database, 1810-1910, all cases

If we exclude all overestimated regions from our database, including the movements in the British Isles and Egypt (which is much less of a problem), the patterning emerges as in the figure below. This figure supports our argument that although there is an overestimation of the movements within the territories of United Kingdom and the British Empire, this overestimation does not affect the world-scale patterning of state-seeking movements to a significant degree. For the figures presented inside this study, we excluded the movements within the British Isles.



Source: SSNM Database, 1810-1910, movements within the British Isles and Egypt excluded.

Likewise decolonization movements in the British colonies were given relatively more weight than others. However our comparison with secondary sources assured us that the SSNM database also captured decolonization movements within other imperial powers such as Spanish, Portuguese, Dutch, French and German. However none of these

over-estimations changed the historical patterning we described in these figures. Even when these territories were excluded a very similar pattern emerged.

Furthermore, in the course of our analysis, we used maps to illustrate the main locations of state-seeking movements. In these maps, both regions with low frequency and high frequency were equally represented. Finally the reliability tests showed that the SSNM database covers the majority of active stateless nations of the world. The SSNM database has records of 32% of nations in Minahan's (2002) *Encyclopedia of Stateless Nations*. Considering that the SSNM database only includes state-seeking activities which are significant enough to be reflected in the international media, this is a high level of representation.

Regional Classifications

In order to classify the locations of state-seeking movements in world regions, we started from the regional classification provided by the United Nations, then modified them to create new regional categories better suited to our needs. The regions we use in this study are (1) "North America", (2) "South and Central America", (3) "Western and Southern Europe", (4) "Eastern and Northern Europe", (5) "Central Asia", (6) "East Asia", (7) "Australia and Micronesia", (8) "South and South-East Asia", (9) "North Africa and Middle East", (10) "East and South Africa" and (11) "West and Central Africa".

When necessary we grouped them under larger groups such as "Asia" or "Africa" or "America". The regional classification scheme we used is summarized in Table A-2 below, which shows the current regional classification of the United Nations,

contemporary states that belong to these regions, modifications we made and categories we used in this research.

Table A-2: Regional Classifications Used

Regions According to United Nations	Contemporary States that Belong to These Regions	Examples of Stateless Nations That Belong to These Regions	Regional Categories Used and Modifications Made
Eastern Africa	Burundi Comoros Djibouti Eritrea Ethiopia Kenya Madagascar Malawi Mauritius Mayotte Mozambique Réunion Rwanda Seychelles Somalia Uganda United Republic of Tanzania Zambia Zimbabwe	Afars Afrikaneers Amhara Zanzibar	All movements that belonged to communities residing in these areas are marked as "(10) East and South Africa"
Middle Africa	Angola Cameroon Central African Republic Chad Congo Dem. Republic of the Congo Equatorial Guinea Gabon São Tomé and Príncipe	Katangans Kongos	All movements that belonged to communities residing in these areas are marked as "(11) West and Central Africa"
North Africa	Algeria Egypt Libyan Arab Jamahiriya Morocco South Sudan Sudan Tunisia Western Sahara	Canary Islanders / Canarians Riffians Nubans	All movements that belonged to communities residing in these areas are marked as "(9) North Africa and Middle East"
South Africa	Botswana Lesotho Namibia South Africa Swaziland		All movements that belonged to communities residing in these areas are marked as "(10) East and South Africa"
West Africa	Benin Burkina Faso Cape Verde Côte d'Ivoire	Ewe Ogoni Tuareg	All movements that belonged to communities residing in these areas are marked as "(11) West and Central"

	Gambia Ghana Guinea Guinea-Bissau Liberia Mali Mauritania Niger Nigeria Saint Helena Senegal Sierra Leone Togo		Africa"
East Asia	China China, Hong Kong SAR China, Macao SAR DPR Korea Japan Mongolia Republic of Korea	Manchu Okinawa Taiwanese Tibetans Uighurs / East Turkestanis	All movements that belonged to communities residing in these areas are marked as " (6) East Asia ". For the analysis of 19th century , they are combined under " Asia " category.
Central Asia	Kazakhstan Kyrgyzstan Tajikistan Turkmenistan Uzbekistan		All movements that belonged to communities residing in these areas are marked as " (5) Central Asia "
Southern Asia	Afghanistan Bangladesh Bhutan India Iran (Islamic Republic of) Maldives Nepal Pakistan Sri Lanka	Assamese Gorkha Kashmiris Mizos Sikhs Tamils	All movements that belonged to communities -residing in these areas except for Afghanistan and Iran - are marked as " (8) South and South East-Asia ". Afghanistan and Iran are marked as " (9) North Africa and Middle East ". For the analysis of 19th century , they are combined under " Asia " category.
South East Asia	Brunei Darussalam Cambodia Indonesia Lao People's Democratic Republic Malaysia Myanmar Philippines Singapore Thailand Timor-Leste Viet Nam	Acehnese Ambonese	All movements that belonged to communities residing in these areas are marked as " (8) South and South East-Asia ". For the analysis of 19th century , they are combined under " Asia " category.
West Asia	Armenia Azerbaijan Bahrain Cyprus	Syrian Alawites, Assyrians Kurds Palestinians	All movements that belonged to communities residing in these areas are marked as " (9) North Africa and Middle

	Georgia Iraq Israel Jordan Kuwait Lebanon Occupied Palestinian Territory Oman Qatar Saudi Arabia Syrian Arab Republic Turkey United Arab Emirates Yemen	Northern Cypriots Chechens Abkhaz Karabakhis Karachais Ingush	East" . Movements under the territories of contemporary <i>Armenia, Azerbaijan, Georgia and North Caucasia</i> are marked as "(5) Central Asia" .
Eastern Europe	Belarus Bulgaria Czech Republic Hungary Poland Republic of Moldova Romania Russian Federation Slovakia Ukraine		All movements that belonged to communities residing in these areas -except for Russian Federation - are marked as (4) "Eastern and Northern Europe" . Russian Federation is marked as "(5) Central Asia" .
Northern Europe	Channel Islands Denmark Estonia Faeroe Islands Finland Iceland Ireland Isle of Man Latvia Lithuania Norway Sweden United Kingdom	Northern Irish Scots Welsh	All movements that belonged to communities residing in these areas are marked as "(4) Eastern and Northern Europe" . United Kingdom, Ireland, Isle of Man, Channel Islands and Iceland are marked as "(3) Western and Southern Europe"
Southern Europe	Albania Andorra Bosnia and Herzegovina Croatia Gibraltar Greece Holy See Italy Kosovo Malta Montenegro Portugal San Marino Serbia Slovenia Spain TFYR Macedonia	Andalusians Azoreans Basques Catalan Galicians Lombard ia Sicilians Tyroleans Venetians	All movements that belonged to communities residing in the contemporary territories of Albania, Bosnia and Herzegovina, Croatia, Kosovo, Greece, Montenegro, Serbia, Slovenia and Macedonia are marked as "(4) Eastern and Northern Europe" . Other territories, Andorra, Gibraltar, Holy See, Italy, Malta, Portugal, San Marino, Spain are marked as "(3) Western and Southern Europe"
Western	Austria	Alsace	All movements that belonged

Europe	Belgium France Germany Liechtenstein Luxembourg Monaco Netherlands Switzerland	Bavarians Flemish Rhinelanders Bretons Walloons Corsica	to communities residing in these areas - except for Austria - are marked as "(3) Western and Southern Europe" Austria is coded as "(4) Eastern and Northern Europe" . As an exception, Prussian territories of the 19th century and East Germany of 20th century are coded as "(4) Eastern and Northern Europe" .
Caribbean	Anguilla Antigua and Barbuda Aruba Bahamas Barbados British Virgin Islands Cayman Islands Cuba Dominica Dominican Republic Grenada Guadeloupe Haiti Jamaica Martinique Montserrat Netherlands Antilles Puerto Rico Saint Kitts and Nevis Saint Lucia Saint Vincent and the Grenadines Trinidad and Tobago Turks and Caicos Islands United States Virgin Islands		All movements that belonged to communities residing in these areas are marked as "(1) North America"
Central America	Belize Costa Rica El Salvador Guatemala Honduras Mexico Nicaragua Panama		All movements that belonged to communities residing in these areas are marked as "(2) South and Central America" . Movements in 19th century Mexican territories that belong to contemporary states of North America are considered as "(1) North America" .
South America	Argentina Bolivia Brazil Chile	Gauchos	All movements that belonged to communities residing in these areas are marked as "(2) South and Central"

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- Zernatto, G. (1944). Nation: The History of a Word. *Review of Politics*, 6 , 351-366.

CURRICULUM VITAE

Şahan Savaş KARATAŞLI
skaratasli@jhu.edu
Johns Hopkins University
3400 North Charles Street,
Baltimore, MD, 21218, USA

EDUCATION

Johns Hopkins University
Graduate School of Krieger Arts and Sciences
M.A/Ph.D, 2013, Sociology

Koç University
College of Arts and Sciences
B.A., 2004, Sociology

Koç University
College of Administrative Sciences and Economics
B.A., 2004, International Relations

TEACHING EXPERIENCE

Fall 2013
Research Tools and Technologies for Social Sciences
International Studies & Sociology, Johns Hopkins University, USA

Spring 2013
Research Tools and Technologies for Social Sciences
International Studies & Sociology, Johns Hopkins University, USA

Fall 2012
Research Tools and Technologies for Social Sciences
International Studies & Sociology, Johns Hopkins University, USA

Spring 2012
Seminar on Global Social Protest
Sociology Department, Johns Hopkins University, USA

Fall 2012
Research Methods for ESL Research (EDEN501) - Master's Level Course
Institute of Foreign Languages, Yeditepe University

Social Change and Transformation (SOC303)
Sociology Department, Yeditepe University

Computer Software and Analysis for Social Scientists (SOC145)
Sociology Department, Yeditepe University

History of Civilizations I (HUM101)
Yeditepe University

Spring 2011

Research Methods for ESL Research (EDEN501) - Master's Level Course
Institute of Foreign Languages, Yeditepe University

Social Change and Transformation (SOC303)
Sociology Department, Yeditepe University

History of Civilizations I (HUM101)
Yeditepe University

Fall 2011

Computer Software and Analysis for Social Scientists
Sociology Department, Yeditepe University

History of Civilizations I (HUM101)
Yeditepe University

Research Methods for Media Studies
Doğuş University

History of Civilizations (HUM301)
Doğuş University

Summer 2010

History of Civilizations I (HUM101)
Yeditepe University

History of Civilizations II (HUM102)
Yeditepe University

Spring 2010

Social Change and Transformation
Sociology Department, Yeditepe University

Research Methods for Social Scientists II
Sociology Department, Yeditepe University

History of Civilizations II (HUM102)
Yeditepe University

Introduction to Sociology
Doğuş University

Fall 2009

Computer Software and Analysis for Social Scientists
Sociology Department, Yeditepe University

History of Civilizations (HUM301)
Doğuş University

Fall 2008

Introduction to Sociology, SOC1003
Sociology Department, Bahçeşehir University

TEACHING ASSISTANSHIPS

Spring 2008

Social Theory, 230.313
Prof. Joel Andreas, Sociology Department, Johns Hopkins University

Fall 2005

Social Statistics, 230.301
Prof. Katrina McDonalds, Sociology Department, Johns Hopkins University

Spring 2003

Turkish Politics
Asst. Prof. Hakan Yılmaz, International Relations Dep. Koç University

Spring 2002

Math 102- Calculus
Prof. Yaman Arkun, Engineering Department, Koç University

Fall 2001

Math 102- Calculus
Asst. Prof. Oğuz Sunay, Engineering Department, Koç University
Asst. Prof. Murat Sözer, Engineering Department, Koç University

RESEARCH ASSISTANTSHIPS

Fall 2007, Spring 2007, Fall 2006

Research Assistant, Johns Hopkins University

Prof. Giovanni Arrighi, Sociology Department, Johns Hopkins University

Fall 2007, Spring 2007, Fall 2006

Research Assistant, Johns Hopkins University

Prof. Lingxin Hao, Sociology Department, Johns Hopkins University

Spring 2006, Fall 2005, Spring 2005, Fall 2004

Research Assistant, Johns Hopkins University

Prof. Beverly Silver, Sociology Department, Johns Hopkins University

Fall 2003

Research Assistant, Koç University

Prof. Ziya Öniş, International Relations Department, Koç University

Spring 2003, Summer 2003, Fall 2003

Research Assistant

Asst. Prof. Bruce H. Rankin, Sociology Department, Koç University

Asst. Prof. Işık Aytaç, Sociology Department, Boğaziçi University

Fall 2003, Summer 2002

Research Assistant

Asst. Prof. Fatoş Gökşen, Sociology Department, Koç University

Spring 2003

Research Assistant

Assoc. Prof. Michael Mousseau, International Relations Department, Koç University,

SELECTED PUBLICATIONS

Karatasli, S. S. & Kumral, S. (forthcoming). Financialization and International (Dis)Order: A Comparative Analysis of John Hobson and Karl Polanyi. *Berkeley Journal of Sociology*. Vol 57 (1) : Financialization.

Karatasli, S. S.; Kumral, S.; Scully, B.; Updharay, S. (forthcoming). Class, Crisis, and the 2011 Protest Wave: Cyclical and Secular Trends in Global Labor Unrest , in Chase-Dunn, Christopher. & Wallerstein, Immanuel (eds). *Overcoming Global Inequalities*. New York: Paradigm

Karatasli, S. S.; Aktas, F.; Fidan, M.; Senturk, S. (2012). Fragments of Nations and Nationalisms: Towards a Typology of 21st Century Nationalisms. *International Journal of Social Sciences and Humanities*, Vol 4(1), pp. 325-334

CONFERENCE PAPERS AND PRESENTATIONS

2013, "Crisis of What? Global Left United Fronts in World History and the Near Future", discussant of Christopher Chase-Dunn, in Mellon Foundation Sawyer Seminar Speaking Series, Johns Hopkins University, Baltimore, USA, September 15

2013, "Containing Nationalism in World-History: A Longue Durée Analysis of State-Seeking Nationalist Movements", 2013 Annual Meeting of American Sociological Association. New York, USA, August 10-13

2013, "Containing Nationalism in China", (with Kumral), 2013 Annual Meeting of American Sociological Association. New York, USA, August 10-13

2013, From Systemic Cycles of Accumulation to Cyclical Waves of Nationalism, Mini-Conference on Power and Justice in the Contemporary World-Economy. New York, USA, August 9

2013, "Bringing Labor Back in: Workers in the Current Wave of Global Social Protest" (with Kumral, Scully, Silver and Upadhyay), 2013 Annual Meeting of the Political Economy of World-Systems Section of the American Sociological Association, April 12-13, 2013

2013, "Financialization, Revolution and Nationalism: Historical-Patterning and Trajectory of Nationalism in the Longue Durée", 23rd Annual ASEN Conference: "Nationalism and Revolution", London School of Economics

2013, "US 'War on Terror' and the State-Seeking Nationalisms of the 21st Century", Historians against the War" National Conference, 5-7 April 2013, Baltimore, Maryland

2013, "US-led 'War on Terror' and Nationalisms of the 21st Century in Historical-Comparative Perspective", March 21-24, 2013, Eastern Sociological Society 2013 Annual Meeting, Boston, USA.

2013, "Nations and Nationalisms of the 21st Century: Towards A Typology of Current State-Seeking Nationalist Movements in the World" (with Aktas, Fidan, Senturk), March 21-24, 2013, Eastern Sociological Society 2013 Annual Meeting, Boston, USA.

2012, "Nationalism Before and After an Eastern Hegemony" (with Kumral), Section on Forecasts of an Eastern Hegemony, California Sociological Association Meeting, Riverside, California, US.

2012, "Fragments of Nations and Nationalisms: Towards a Typology of 21st Century Nationalist Movements" (with Aktas, Fidan, Senturk), 5th International Conference in Social Sciences, Izmir, Turkey.

2012, "Hegemonic Changes and World Historical Patterning of Nationalist Movements", 10th International Conference on New Directions of Humanities, Montreal, Quebec, Canada.

2012, "Effects of Class, Gender and Ethnicity on University Attainment Levels in Turkey" (with Kumral), British Sociological Association Meeting, Leeds, United Kingdom

2012, "Between GDP Growth and Livelihood Security: The Structural Dilemma of Irrigation in China", discussant of Lingli Huang, East Asian Studies Student Research Symposium, Johns Hopkins University

2012, "Inequality by Design: The Effect of Institutional Factors on Educational Attainment Difference" (with Ozen), World Conference of Educational Sciences, Barcelona, Spain

2008, "The Mestizaje and the Nationalist Movements in Mexico" presented at Annual Meeting of Institute of Global Studies for Culture, Power and Society, Discussant, Johns Hopkins University, USA

2007, "Wealth Regime and Transnationalism: Emigrants' Investment in the Home Country." (with Hao), Presented at the 2007 Annual Meetings of the Population Association of America, New York, USA.

2007, "Transnationalism and Wealth Regime: Emigrants' Investment in the Home Country." (with Hao), Presented at the 2007 American Sociological Association Annual Meeting, USA.

2007, "Can There Be A Marxist Conception of Justice?: Conceptualizations of Social Justice in Historical Materialist Framework" Presented at the 2007 Annual Meeting of Round Table Presentation at the Marxist Section of the Annual Meeting of American Sociological Association

2007, "World Patterning of National Independence Movements: The Use of Digital Newspaper Sources", presented at Sociology Research Working Group Meeting, Johns Hopkins University

2007, "Modalities of Anti-Systemism: The Case of Anti-Imperialist Turkish Student Unrest in the Long Twentieth Century", presented at Sociology Conference at SUNY, Binghamton University

2007, "Two Faces of Anti-imperialism, Two faces of Kemalism: Anti-imperialist Social Movements in the Early Republican Period (1923-1945)" presented at "Historical Continuities, Political Responsibilities: Unsettling Conceptual Blindspots in Ottoman and Turkish Studies" Conference, City University of New York

2006, “Anti-Imperialism and State Ideology: Waves of Student Unrest in Turkey”, presented at Annual Meeting of Institute of Global Studies, Conference Paper, Johns Hopkins University

2005, “A Conceptual Framework for Analyzing Student Movements as Anti-Systemic Movements”, presented at Graduate Student Conference in Historical Social Science, Binghamton University

2003, “Trade Related Intellectual Property Rights and Social Justice in the Third World” presented at Sociology Student Congress, 2003. Suleyman Demirel University, Isparta

2003, “Media and Collective Action in Turkey”, presented at Sociology Student Congress, 2003. Suleyman Demirel University, Isparta

GRANTS, HONORS AND AWARDS

Academic

2013- Postdoctoral fellowship by Arrighi Center for Global Studies

2012- Humanities and Social Sciences Grant for the Project “Bridging the Gap: Curriculum Innovations to Facilitate Undergraduate Research in the Social Sciences” (with Beverly Silver and Dan Pasciuti), Center for Educational Resources, Johns Hopkins University

2012- Technology Fellowship Grant for the Project “Generating Online Databases with Maps and Timelines”, Center for Educational Resources, Johns Hopkins University

2007- Research Fellowship from International Global Studies Center, Johns Hopkins University

2004-2009 - Ph.D Fellowship from Johns Hopkins University

2004, Award for Top Department Ranking in International Relations, Koç University

2004, Award for Top Department Ranking in Sociology, Koç University

2001-2004 (all 6 semesters), Vehbi Koç Scholar (given to SPAs 3.5 or higher)

1999-2004 Scholarship from Koç University